

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MARCH 27, 2003

Southwest Washington Pipe Trades Joint Apprenticeship
and Training Committee Facility
8501 Zenith Court NE
Lacey, WA 98516
(360) 486-9400

REVISED AGENDA

TIME: 8:30 a.m. – 3:20 p.m.

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
8:30-8:40	Welcome/Introductions	René Ewing	Get Acquainted
8:40-9:00	Minutes of January 30, 2003, Board Meeting Chairperson's Report Executive Director's Report <i>Tab 1</i>	René Ewing	Board will act on minutes of January 30, 2003, Board Meeting. Board will be updated on issues of current interest.
9:00-9:30	Partnership Building: Private Career Schools Report <i>Tab 2</i>	Walt Wong Gena Wikstrom, Washington Federation of Private Career Schools and Colleges Peter Tenney, Bryman College	Board will be updated on private vocational school work and interests of the Private Vocational Schools Advisory Committee.
9:30-9:40	Partnership Building: Workforce Development Council (WDC) Strategic Plan Updates <i>Tab 3</i>	Pam Lund Tony Lee Beth Thew	Board will learn of progress of WDCs in updating their strategic plans.
9:40-10:10	System Building: Eligible Training Provider Policy <i>Tab 10</i>	Bryan Wilson	Board will take action on Eligible Training Provider policy.
10:10-10:25	Break	All	Refresh

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
10:25-11:10	System Building: Emerging Federal Policy <i>Tab 5</i>	Bryan Wilson	Board will act on position papers concerning federal workforce development policy.
11:10-Noon	System Building: Report on Results for Target Populations <i>Tab 6</i>	John Bauer	Board will discuss report and its implications.
Noon-12:45	Lunch	All	Refresh
12:45-1:15	System Building: WorkSource Performance Results <i>Tab 7</i>	Bryan Wilson	Board will discuss first annual results for WorkSource performance.
1:15-1:45	System Building: WIA Title 1-B Performance Targets <i>Tab 8</i>	Bryan Wilson	Board will discuss and take action on targets for Years 4 and 5 for WIA Title 1-B.
1:45-2:15	Partnership Building: Workforce Development and Economic Development <i>Tab 9</i>	Pam Lund	Board will review and act on plan for continuing three-agency collaboration for cluster strategy.
2:15-2:30	Break	All	Refresh
2:30-2:50	System Building: National Workplace Readiness Credential - National Institute for Literacy Pilot Project <i>Tab 4</i>	Pam Lund	Board will discuss and take action on participation in National Institute for Literacy pilot project.
2:50-3:20	Partnership Building: Plan for Use of WIA Governor's Discretionary Funds <i>Tab 11</i>	Bryan Wilson Gary Gallwas, Employment Security Department	Board will review and act on advice to Governor on use of WIA Governor's Discretionary funds for '03-'04.
3:20	Meeting Evaluation and Adjournment	René Ewing	Board will assess meeting quality.

NOTICE OF POSSIBLE EXECUTIVE SESSION

Under RCW 42.30.110, an executive session may be held for the purpose of consulting with legal counsel regarding agency enforcement actions or actual or potential agency litigation.

TAB 1

Washington State Workforce Training and Education Coordinating Board
Minutes of Meeting No. 90
January 30, 2003

The meeting was called to order by Chair René Ewing at 8:35 a.m. at the New Market Vocational Skills Center in Tumwater, Washington. The following board members were present:

René Ewing, WTECB Chairperson
Sylvia Mundy, Employment Security Department (ESD)
Joe Pinzone, Business Representative
Randy Loomans (Alternate for Rick Bender), Labor Representative
John McGinnis, Labor Representative
Beth Thew, Labor Representative
Mike Hudson (Alternate for Don Brunell), Business Representative
Brian Jeffries (Alternates for Terry Bergeson), Superintendent of Public Instruction (OSPI)
John Atherton (Alternate for Dennis Braddock), Department of Social and Health Services (DSHS)
Jim Crabbe (Alternate for Earl Hale), State Board for Community and Technical Colleges (SBCTC)
Ellen O'Brien Saunders, Executive Director

Welcome and Introductions

Ms. René Ewing welcomed the Board and guests and introductions were made.

Minutes of Board Meeting No. 89 –December 18, 2002

Ms. Ewing presented the minutes from the December 18, 2002, meeting. Mr. McGinnis noted a correction to the minutes to reflect that he was present at this meeting.

Motion 03-90-01

A motion was made by Mr. Joe Pinzone and seconded by Mr. Mike Hudson that the Workforce Training and Education Coordinating Board (WTECB) minutes of December 18, 2002, meeting be approved as corrected. The motion passed.

Chairperson's Report

Ms. Ewing said there may be an executive session in March. The 2003 Workforce Strategies Conference is planned for October 7-8, 2003; Board members were asked to put that date on their calendars.

Mr. Jim Crabbe shared information on “Sharpening Washington’s Competitive Edge,” a presentation on a study of data collected at regional meetings in the Fall of 2002. Commissioner Sylvia Mundy shared copies of the Workforce Investment Act Annual Report with the Board.

Ms. Ewing discussed Board member visits to Workforce Development Council (WDC) meetings that they did last year. Board members will be sent a list of the WDC meeting dates so they can select the ones they wish to attend.

Mr. Pinzone discussed his participation in a legislative hearing on Student Options and WAVE funding legislation. He shared that the Vancouver Chamber of Commerce endorsed both of these bills.

Industry Skill Panels: Update on Achievements and Challenges

Ms. Pam Lund presented an overview of cluster-based economic development and industry skill panels. Ms. Lund shared recent activities in some of the skill panels and some of the challenges they are facing. Ms. Randy Loomans asked Ms. Lund to share a list of all the current skill panels. Ms. Lund then introduced a guest, Ms. Barbara Ivanov from the Kent Chamber of Commerce, to talk about the Manufacturing Skill Panel. Ms. Ivanov shared some of the challenges that the area manufacturers are trying to solve regarding industry skill shortages. They believe that industry skill standards will fail or succeed based on the value to the industry. She informed the Board that the Renton WorkSource Center is a partner in this skill panel and is very open to working with the manufacturers on improving screening methods.

Tour of New Market Vocational Skills Center

Mr. John Aultman, Director of the New Market Vocational Skill Center, welcomed the Board and informed them on the programs offered at the skill center. Mr. Aultman then led the Board on a tour of the skill center.

Executive Director’s Report

Ms. Saunders shared a copy of a letter prepared by the Washington Workforce Association to Washington’s congressional delegation opposing federal funding cuts. There are continuing discussions on the issue of funding for future workforce development programs and the Interagency Committee has been reviewing several draft position papers on this topic. Ms. Saunders also reported on the Washington Roundtable’s policy position on the Certificate of Mastery and reinforced that the WTECB supports education reform.

Mr. Wes Pruitt gave an update on 2003 legislative activities. Ms. Ewing and Ms. Beth Thew are in the process of confirmation by the Senate and we expect that to go through this session. Mr. Pruitt shared copies of workforce development-related legislation and noted that Ms. Kathleen Lopp would appear before the Board later on this date to report on the Student Options legislation. Mr. Crabbe reported on SBCTC’s legislative activities, including a request to maintain worker retraining funding at this year’s supplemental budget level.

Ms. Lund informed the Board on the status of the WDCs strategic plan updates. All areas have been contacted and plan updates are underway. Most are finding it a very positive experience and there are no known issues on timing so it is expected that they are on target for the June 30 completion date.

Washington Business Week

Mr. Steve Hyer and Ms. Carolyn Parker from Washington Business Week appeared before the Board to share information on this program that offers high school students the opportunity to experience a simulated business enterprise in the classroom and through summer camp programs. The kinds of skills learned in this program are very transferable to many occupations and they are starting to get involved with Youth Councils around the state. Several Board members, including Commissioner Mundy and Ms. Ewing, were interested in learning how to volunteer to be a trainer for upcoming sessions.

Student Options Legislation

Ms. Kathleen Lopp from the Washington Association for Career and Technical Education updated the Board on advocacy work on HB 1487 and SB 5505 on Student Options. Board members may be asked to testify in support of this bill. Ms. Lopp reported that Senator Carlson plans to have an amendment that strengthens the bill.

Secondary Career and Technical Education: Supply, Demand and Gaps

Mr. Bryan Wilson gave a brief presentation to the Board on demand and supply for secondary career and technical education. Commissioner Mundy had a question about how many students we are collecting data on and how many employers. Mr. Brian Jeffries shared that there are difficulties with some of the data sources because of local district prohibitions on using social security numbers as identifiers and wondered if this affected the aggregate numbers. Mr. Wilson responded that yes, the numbers could be off some, but the 37,000 student records that are included still point to a large gap between how many high school students get vocational training who go to work directly out of high school (9 percent) versus all of the students who go to work directly out of high school (37 percent). The Board discussed ways that the education system can track what happens to students after graduation and ways to respond to the gap.

Federal Vocational Education Act Performance Results

Mr. Wilson informed the Board about Washington State's performance results for the Carl Perkins Act that was submitted to the Department of Education on December 31, 2002. A state is eligible for federal workforce incentive funds if it exceeds performance targets for the Workforce Investment Act (WIA) Title I, Carl Perkins Act, and Adult Education and Family Literacy Act. This report shows that Washington State's performance on the Carl Perkins measures exceeded the performance targets. It is still unclear whether Washington State will qualify for an incentive award because there is a question as to whether Washington State has met the WIA Title 1 survey response rate requirement.

Eligible Training Provider Policy

Mr. Wilson gave a brief presentation to the Board on the Eligible Training Provider Policy. This policy is used to determine the eligibility of training programs to provide training funded by WIA Title I-B Individual Training Accounts and for workers using additional Unemployment Insurance benefits. Mr. Wilson discussed the current policy and reminded the Board of the change that was made last year to allow qualification based on hourly wages. Mr. Wilson reviewed the programs that did not meet the requirements. There was some discussion as to the possible impact if the standards were raised. Mr. Wilson was asked for numbers on the potential people affected by such a proposed change. Mr. Wilson responded that calculating the impact is complicated. In all cases, there is at least one other eligible program that can provide the same training as the program determined to be ineligible. People may have to choose another program rather than their first choice, but other programs had better performance results. The Board will act on the recommended policy changes at the March 27, 2003, WTECB Meeting.

Ms. Ewing thanked the Board, the participants, and the audience, and the meeting was adjourned at 1:37 p.m.

Ellen O'Brien Saunders, Secretary

A handwritten signature in cursive script, reading "Ellen O'Brien Saunders".



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Tuesday, March 11, 2003

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President Bush WIA Reauthorization The Bush Administration's Proposal

The Workforce Investment Act of 1998 (WIA) provides workforce investment services and activities through statewide and local One-Stop Career Center systems that have at their core the goals of (1) enhanced employment, retention, and earnings of individuals, (2) increased occupational skills attainment, and (3) improved national economic growth through better productivity and competitiveness. The authorization of WIA expires on September 30, 2003. WIA reauthorization is an opportunity to strengthen the coordinating infrastructure and innovation that many states and local communities have developed to serve businesses and individuals with workforce needs.

Reauthorization of WIA also provides an opportunity to further the transformation and integration of the One-Stop Career Center delivery system into a coherent workforce investment system that can respond quickly and effectively to the changing needs of business and the new economy. Reauthorization will build on and improve what works under WIA; it also will identify barriers and fix what doesn't work. Its broad design is to partner and connect with the private sector and with postsecondary education and training, social services, and economic development systems to prepare the 21st century workforce for career opportunities and skills in high growth sectors.

Governance

State and Local Workforce Investment Boards: WIA called for the establishment of business-led workforce investment boards to oversee WIA implementation at the state and local levels. The statute listed what types of members should participate on the workforce investment boards and specified that boards have a majority of representatives from the business community. Membership requirements were similar for both State and Local Boards.

Since the first stages of implementation, complaints have been heard from many groups that the boards are too large and unwieldy. This has been an issue raised by private sector board members in particular, and as a result, it has been difficult to attract and retain employer participation on the boards. As indicated in the October 2001 report issued by the General Accounting Office (GAO) entitled "Workforce Investment Act: Better Guidance Needed to Address Concerns Over New Requirements," private sector representatives are frustrated with the operations of the boards under WIA. They believe that the boards are too large to effectively address their concerns. And, where some boards have created executive committees or other structures to help deal with the size of the board, these entities may not have employer representation or reflect employer views - contrary to the clear intention of the Act.

According to the National Association of Workforce Boards, the average number of members of State Boards exceeds 40 in most places where new boards have been established since the passage of WIA. GAO found that Vermont had over 40 seats on its board, California had 64, and Pennsylvania had 33. Local Boards can be just as large. For example, GAO found one in Pennsylvania with 43 members and two in California with 45 members. This board size is especially large in comparison to various private-sector corporate boards. For example, General Motors' board of directors has 13 members, while Intel's board has 11.

State Workforce Investment Board (Section 111): The role of the State Workforce Investment Board (State Board) should be strengthened through reauthorization, and the membership requirements should be streamlined. A minimum set of membership requirements should be contained in the statute that consist of: (1) the state agencies responsible for administering the One-Stop partner programs; (2) the state economic development agency; (3) business representatives; (4) worker advocates and (5) state legislators. There would no longer be a requirement to have a business majority, but the chair of the board would still be a member of the business community. Governors would have the authority to expand Board membership.

The State Board should be tasked with setting policies and priorities for the One-Stop Career Center system. Such policies would include the development of minimum service delivery standards, comprehensive outreach strategies, and economic development strategies. Providing state-level administrators of One-Stop partner programs with more authority over One-Stop Career Centers would result in increased support for and partner usage of the system. It would also create a more global approach to addressing workforce needs in a community.

Local Workforce Investment Boards (Section 117): WIA reauthorization should reconfigure the membership and functions of Local Workforce Investment Boards (Local Boards). Statutory language would ensure that Board members represent the leading industry sectors as well as geographic areas within the local community. Membership should be streamlined by removing the requirement that the One-Stop partner programs have a seat on the local boards. This would provide an increased voice for business representatives, education officials, community groups and worker advocates, enabling Boards to be more responsive to local needs. One-Stop partner officials would retain involvement in the local system through the local One-Stop memorandum of understanding (MOU) process. Local Boards would also have the option of creating "Operating Committees" comprised of One-Stop partners and other key parties to provide advice on operational issues. In addition, partner programs would benefit from having an increased voice on the State Boards.

The functions of the Local Boards should be focused on strategic planning and policy development activities. WIA attempted to move Local Boards away from operational details and towards strategic planning. However, such a shift has not occurred in many areas. In some local areas, three entities are actually trying to "lead" the local system: (1) employer groups such as local chambers of commerce; (2) the Local Board, which does not have the appropriate business leadership as members; and (3) One-Stop operators that are not getting adequate policy direction from the State and Local Workforce Investment Boards. The employer groups are frequently frustrated that they are not able to connect with or access resources from the Local Board, and as a result, request funding directly from the U.S. Department of Labor. Rather than three "parallel systems" at the local level, there should be one comprehensive system for workforce investment that utilizes One-Stop Career Centers as the delivery mechanism governed by the Local Workforce Investment Board.

Youth Councils (Section 117): WIA required each Local Workforce Investment Board to establish a Youth Council tasked with coordinating youth activities in the local area. Councils are comprised of Local Board members with special interest or expertise in youth policy, representatives of juvenile justice agencies, parents, and other groups. Although not required by law, some states have taken the initiative to establish State Youth Councils. In

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reauthorization, the requirement for local Youth Councils should be dropped because in many areas, Youth Councils are floundering and have not added value to local system efforts. However, Governors and chief elected officials would retain the authority to create Youth Councils if it is believed the Councils add value in their areas.

Grandfathering (Sections 111 and 117):WIA gave Governors and chief elected officials broad authority to grandfather State and Local Boards that were in existence prior to the enactment of WIA. This was due to the desire to maintain smaller, and more manageable boards. However, many states and local areas did not establish the types of comprehensive boards authorized under WIA. According to Department of Labor data, 27 states are using grandfathered state boards and 15 states chose to grandfather the local boards (private industry councils) that were established under the Job Training Partnership Act. In order to drive system reform, and because boards would be smaller under this proposal, the grandfathering provisions should be dropped as part of the reauthorization process.

Local Area Designation (Section 116):Agreements on local area designations should be made as a result of discussions at the state and local level - without federal interference. One change that should be made as part of reauthorization is the elimination of a local area's right to appeal non-designation to the Secretary of Labor. Local area appeal rights should end at the state level. In addition, the initial and subsequent designation provisions should be eliminated to allow Governors to better align local workforce investment areas with local labor market areas or economic development regions.

Planning (Sections 112, 118 and 501):Under current law, states and local areas are required to submit strategic plans every five years. The statute outlines the types of information that must be contained in the plan. While strategic planning is important, the plans are currently not living documents that are updated to reflect changing economic situations or state/local priorities. The Department of Labor issued comprehensive guidance on the state plan modification process. However, very few modifications have been received over the past few years even though some states have changed Governors, and many have experienced slowing economic conditions. The planning cycle for state and local plans should be reduced to two years.

One-Stop Career Center System

One-Stop Infrastructure (Section 121): Under title I of WIA, One-Stop partner programs (such as Adult Education, Vocational Rehabilitation and Unemployment Insurance) are required to contribute a portion of their funds to create and maintain the One-Stop delivery system. This is to be accomplished by One-Stop partners negotiating cost allocation and resource sharing through memoranda of understanding developed at the local level. However, there are many areas around the country where cost sharing has still not been resolved, even though WIA has been operational for several years. This was one of the key barriers to effective WIA implementation identified by GAO in their 2001 report on WIA. These ongoing debates on financial issues prevent local partners from fully focusing on services to customers. Guidance issued by DOL and partner agencies has not adequately resolved this issue.

Through WIA reauthorization, the operational cost of the One-Stop system should be financed through dedicated "One-Stop infrastructure" funding. This One-Stop infrastructure funding would alleviate a great deal of the current local negotiation issues and allow local areas to focus on what is most important -- meeting the needs of businesses and workers. Each partner program would contribute a portion of their funds to the One-Stop infrastructure funding - either at the Federal level or as a set-aside at the state level. This approach would create a greater sense of partner "ownership" of the system than currently exists and would move toward comprehensive workforce system reform by using existing dollars to support an integrated service delivery system at the state and local level. Research is currently being

done to determine the amount of funding that would be needed. Funding would go to the Governor for local allocation. State and local partners could augment this funding as needed. The State Board would work with the Governor to determine the most strategic uses for this funding within the state.

Comprehensive Array of Services (Section 134): One-Stop Career Centers offer employment and training assistance to a universal worker population, but do not offer a broad range of products and services (such as work supports and other supportive services) to low-wage workers. Through reauthorization, local areas should be authorized to provide a wide-range of services for low-wage workers that would enhance career advancement opportunities through the One-Stop system. Focusing on access to financial work supports (such as Food Stamps and Medicaid transitional assistance) and retention and advancement services (such as on-site child care and training during nontraditional hours) in a One-Stop setting would address the needs of both employers and members of the country's low-wage workforce. These supports and services would be funded by a variety of One-Stop partners and made available through the One-Stop system.

Services to Targeted Populations (Section 134): A concern has been raised that a move towards universal service has resulted in less effective services to at-risk populations such as individuals with disabilities, migrant and seasonal farmworkers, and older workers. Reauthorization should remove any barriers to serving targeted populations through a comprehensive One-Stop system. By eliminating such barriers, the system would become more dynamic and flexible while maintaining a universal access focus. Most importantly, changes should be made to the current performance accountability system in order to ensure that local program operators are not driven away from serving those most in need.

Comprehensive Services for Adults

Consolidated Funding Stream (Sections 131 and 133): Currently, the WIA Adult, WIA Dislocated Worker and Wagner-Peyser funding streams finance similar services targeted to similar populations. The combining of these three funding streams into a single formula grant would result in streamlined program administration at the state and local level and the reduction of current duplication and inefficiency. In this streamlined proposal, labor exchange services would be the foundation of the One-Stop Career Center system, with the remaining funds focused on training and intensive services. One-Stop operators would no longer have to track multiple streams of funds. The consolidation would also give states and local areas greater flexibility to integrate WIA title I service delivery with the TANF program. In states that have developed an integrated model, TANF has become the primary funding stream for serving low-income workers; with WIA funding being used to serve dislocated workers and employed adults.

This change would build upon current law that allows up to 20 percent to be transferred between the Adult and Dislocated Worker funding streams. In Program Year 2001, 30 states utilized this authority. The fiscal year 2003 appropriation raised the transfer limit to 30 percent.

WIA reauthorization should also build strong connections between the One-Stop system and programs funded under adult education and vocational education. As a result of these connections, adult and youth participants would have access to a more comprehensive and necessary array of services.

State Allotments: The formula for the comprehensive adult program should take into account the formula factors used for the Adult, Dislocated Worker and Wagner-Peyser programs. In addition, the Secretary's reallotment authority would be based on expenditures rather than obligations. This should strengthen targeting of resources to areas where need is demonstrated.

Within-State Allocations: Currently all Wagner-Peyser funds are retained at the state level. Fifteen percent of WIA Adult funds can be used for statewide activities, and up to forty percent of WIA Dislocated Worker funds can be used for statewide activities and rapid response. As part of reauthorization, Governors would allocate at least 50% of the combined funding stream to local areas - 40% according to a statutory formula and 10% according to a formula to be determined by the Governor based on economic and demographic factors. The remaining 50% would be available to the Governor for activities such as rapid response, support for core services in the One-Stop system, evaluations and demonstrations.

National Reserve/National Dislocated Worker Grants: The WIA reauthorization proposal would increase the proportion of funding that goes to the National Reserve for National Dislocated Worker Grants (formerly National Emergency Grants). National Dislocated Worker Grants would be provided to states and localities at the Secretary's discretion to address special layoff situations. Increasing the proportion of funding that is available for this targeted, flexible assistance would continue to improve services to dislocated workers.

Increased Opportunities For Training (Sections 134): Under current law, many states and local areas have misinterpreted the "sequence of service" strategy (how a participant moves from core to intensive to training services), often interpreting it to require individuals to spend a specific amount of time in one tier of service before moving onto the next. In some extreme circumstances, this has resulted in individuals being placed in low-paying jobs without access to the additional services they need in order to succeed in today's competitive economy. WIA reauthorization should provide greater flexibility in the delivery of core, intensive and training services. Individuals should have the opportunity to receive the services that are most appropriate for their unique needs. A priority of service should be placed on unemployed workers. In addition, if a state determines that funds are limited, a second-tier priority would also be placed on low-income individuals. Concurrent delivery of services such as English as a Second Language and occupational training would also be specifically authorized as needed.

Simplify Eligible Training Provider Provisions (Section 122): The current eligible training provider requirements are overly burdensome. For example, providers must report performance outcomes for all of their students, not just students who receive WIA funding. As a result, many training providers are deciding not to participate in the system. Federal and state confidentiality laws often make compliance with current requirements difficult, if not impossible. Rather than increasing customer choice, the current requirements have had the unintended effect of reducing customer choice due to limited numbers of eligible training providers in some states. WIA should provide Governors with the authority to determine what standards, information and data would be required for the eligible training providers in their state. Providing Governors with such authority would result in an improved eligible training provider system. This revised approach would ensure the continuation of such key ideas as customer choice and provider accountability while making it easier for training providers to participate in the system. The Governor would be required to set minimum standards for all providers in a manner that would ensure quality choice and accountability to the Federal government.

Services to Employed Workers (Section 134): While customized training and on-the-job training (OJT) services are authorized under title I of WIA, they are perceived as being overly bureaucratic, making them unattractive to employer customers. Also, incumbent worker training can be currently funded only through the Governor's 15 percent reserve account. Many employer groups have indicated that greater flexibility in providing services to incumbent workers is needed. WIA reauthorization should simplify the requirements for customized training, OJT and incumbent worker training. Current statutory requirements would be simplified in a way that would increase employer utilization of these tools while maintaining fiscal integrity. For example, with the approval of the Governor, local areas could spend up to 10 percent of their Adult funds on incumbent worker training. An employer

match would be required. The amount of the match would be determined according to the size of the employer.

Expanded Use of Individual Training Accounts (Section 134): WIA created Individual Training Accounts (ITAs) to enable participants to choose among available training providers, thus bringing market focus into federally funded training programs. Currently, states and local areas have a great deal of authority to develop policies related to procedures for making payments as well as restrictions on duration or amount of the ITA. However, ITAs are generally limited to WIA title I Adult and Dislocated Worker training funds. WIA reauthorization should expand the concept of Individual Training Accounts by changing them into Career Scholarships. In addition to being the vehicle for obtaining training with WIA funds, Career Scholarships could be enhanced by adding other resources such as private (employer paid) and individual training resources to facilitate training. Career Scholarships would be available to unemployed as well as certain groups of employed workers.

Establishment of Reemployment Accounts: WIA reauthorization would establish authority to create Reemployment Accounts - special self-managed accounts for use by individuals who are out of work and who have been identified as very likely to exhaust their Unemployment Insurance benefits. The accounts would allow these individuals to more personally control their workforce fate, reduce the need for unemployment compensation and speed placement into an unsubsidized job.

A Targeted Approach to Serving Youth

Focus Resources on Out-of-School Youth (Sections 126-129): Currently, funds for the WIA youth program are spread too thinly across the country due to the statutory formula and lack of strategic direction. WIA reauthorization should reform current programs for youth through a Targeted State Formula program designed to serve out-of-school youth. Formula funds would be allocated to states, and, as under current law, the Governor and the State Board would be responsible for setting policies and strategies to guide the use of the funds at the local level. Governors would have discretion to target funds to local areas with the highest eligible youth population.

Challenge Grants to Cities and Rural Areas (Section 169): Cities and rural areas with programs that incorporate proven strategies would apply to the Department of Labor for this targeted funding. This includes lessons learned from the Youth Opportunity Grant initiative and other demonstrations. Grantees would need to demonstrate partnerships, financial contributions from a variety of sources including the education and business communities, and inclusion of "best practices" as part of the program design. These grants would provide a "laboratory" to test out and lead improvements in the larger formula grant program.

Performance Accountability

Core Indicators of Performance (Section 136): Since the implementation of WIA, states and local areas have raised concerns about the seventeen statutory performance indicators under WIA title I. The measures are perceived to be too numerous and overly burdensome. In addition, the utility of some of the measures (such as customer satisfaction) as federally-required measures has been questioned. Through reauthorization, the number of performance indicators should be reduced from seventeen to eight. The current WIA title I performance indicators should be replaced by the eight indicators (4 for youth and 4 for adults) being developed by the Federal partner agencies as part of the new common measures initiative for employment and job training programs. Some Federal partners may retain other measures of importance to their programs. Governors would have the authority to add additional measures for use within their state, including the customer satisfaction and adult credential attainment measures.

Common Definitions (Section 136): Different federal job training programs seldom define performance indicators in a common manner, resulting in confusion and burden at the state

and local level. For example, "entered employment" is a performance outcome tracked for many One-Stop partner programs; however, the definition varies from WIA title I to the employment service to adult education. As part of the common measures initiative, the core set of measures would also have a common set of definitions and data sets. This would help integrate service delivery through the One-Stop Career Centers at the local level. Streamlining and simplifying the requirements would also lead to increased co-enrollment flexibility among programs, ultimately leading to potential cost savings at all levels of the system.

Negotiation of Performance Outcomes (Section 136): The WIA reauthorization proposal would strengthen the current performance accountability process by establishing long-term national performance goals. These national targets, which would be established through notice and comment rulemaking, would form the basis of state-level negotiations, with the individual state negotiated levels averaging the established national targets. This approach would ensure that performance levels established for the job training common measures are challenging. In addition, the proposal should address rigidity that exists in the current performance negotiation process between states and the Department. This process does not allow local workforce investment areas to target the needs of special populations (such as ex-offenders or migrant and seasonal farmworkers). Through reauthorization, a more dynamic performance negotiation process should be designed that would take into account local labor market needs and the characteristics of individuals being served. The Act currently allows for this flexibility, but stronger language would be added to the statute to encourage all levels of the system to take a variety of factors into account when establishing levels of performance. Such factors could include differences in economic conditions, such as the rate of job creation or loss, and differences in participant characteristics, such as indicators of poor work history or welfare dependency.

Focus on Fiscal Integrity (Section 184): Through WIA reauthorization, strong fiscal controls need to be established at all levels of the system. An emphasis should be placed on data validation, strengthened monitoring and oversight in order to ensure appropriate use of federal funds. Prudent use of taxpayer dollars is a core principle.

State Flexibility

Expanded Waiver Authority (Section 189): Over 30 states have received waivers under the general waiver authority contained in title I of WIA. However, this authority is perceived to be very limited. Statutory limitations to increased waiver authority should be removed. In addition, the Department does not have the authority to grant a blanket waiver. Each individual waiver request must go through an administrative review process. Through reauthorization, this process should be simplified.

Block Grant Authority (Section 192): Section 192 currently allows states to be designated as "Work-Flex" states in order to receive greater flexibility in administering WIA programs. No state has requested this authority under WIA since there is a perception that the process is too bureaucratic. Through reauthorization, this section should be simplified to allow a "State Option" in which Governors could apply for block grant authority. Under this option, Governors would have complete discretion as to how to administer WIA title I formula programs - both adult and youth. The Governors would determine sub-state funding and governance structures. The block grants would be guided by a set of guiding parameters. Such parameters should include use of the One-Stop Career Center system as the core service delivery system as well as a basic set of services to be provided. However, Governors would have the responsibility for selecting partner programs and the array of services. Governors administering their programs under the State Option would need to submit a plan, similar to the TANF plan, to the Department. This plan would include expected levels of performance under the Federal common measures for employment and job training programs. A state that fails to meet negotiated levels of performance two years in a row

would be subject to sanctions and loss of the authority to run programs under this option.

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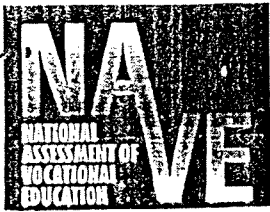
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Frances Perkins Building
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January 22, 2003

Honorable Eugene W. Hickok
Under Secretary
Office of the Under Secretary
U. S. Department of Education
400 Maryland Avenue, SW
Washington, D. C. 20202

Honorable Carol D'Amico
Assistant Secretary
Office of Vocational and Adult Education
U. S. Department of Education
400 Maryland Avenue, SW
Washington, D. C. 20202

Dear Secretary Hickok and Secretary D'Amico:

In accordance with the *Carl D. Perkins Vocational and Technical Education Act of 1998*, Congress called upon the Secretary of Education to appoint an independent panel of vocational and technical education administrators, educators, and researchers, as well as parents and representatives of business, labor and others to advise the U. S. Department of Education on the evaluation and assessment of programs authorized under this federal statute. This Independent Advisory Panel has met a number of times and has been actively involved in advising the Department and contracted researchers on the Interim and Final Reports of the National Assessment of Vocational Education (NAVE). Department staff members, under the direction of David Goodwin and Marsha Silverberg, have provided valuable leadership in conducting the assessment.

During our September 26-27, 2002, meeting, our panel continued to review preliminary studies regarding vocational education and had the opportunity to visit with Hans Meder of your staff. We also discussed the fact that only an Executive Summary of the Interim Report of the National Assessment of Vocational Education and not the complete report would be printed in final form and distributed to appropriate Congressional committees. In the absence of our Chair, Naomi Nightingale, and my fellow Co-Chair, Paul Cole, I chaired our panel's discussion and was asked to share with you our concerns about this decision, especially as it might relate to the publication of the Final Report.

When work is completed on final results of the National Assessment of Vocational Education, we anticipate that it will be printed in full context. Previous reports on the assessment of vocational education as well as other education initiatives have been used for policy and program improvements at the national, state and local levels. These reports have been printed and available for wide distribution. Our current work on the assessment of vocational education represents a considerable federal investment. We therefore anticipate that the forthcoming final report, any executive summaries that might be produced and the report from the advisory panel itself, will be published in hardcopy and distributed widely. Should this not be the Department's intention, we request an opportunity to meet so that we can complete our work in a positive and productive manner.

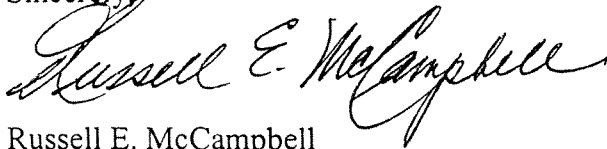
Honorable Eugene W. Hickok
Honorable Carol D'Amico
January 22, 2003

It was my decision to delay sending you this letter in anticipation of receiving copies of the interim report. In late October, panel members finally received a published copy of the Executive Summary and only a photocopy of the complete report. Personal illness and surgeries have resulted in my further delaying this letter until now.

Thank you for your attention to our concerns. Members of our panel have profited greatly from our involvement with the research studies and the writing of the reports. We look forward to a fruitful conclusion of the assessment.

Good wishes.

Sincerely,

A handwritten signature in cursive script that reads "Russell E. McCampbell". The signature is written in dark ink and is positioned above the printed name.

Russell E. McCampbell
Co-Chair
Independent Advisory Panel
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(573) 442-1760

C: William Hansen, Deputy Secretary
David Goodwin, Director
Division of Postsecondary, Adult and Vocational Education
Marsha Silverberg, Director
National Assessment of Vocational Education
Independent Advisory Panel Members

**National Assessment of Vocational Education
Independent Advisory Panel**

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SUBSTITUTE SENATE BILL 5505

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Education (originally sponsored by Senators Carlson, Rasmussen, Honeyford, Doumit and Eide)

READ FIRST TIME 02/20/03.

AN ACT Relating to courses of study options offered by public high schools; and amending RCW 28A.230.010 and 28A.230.130.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 28A.230.010 and 1990 c 33 s 237 are each amended to read as follows:

School district boards of directors shall identify and offer courses with content that meet or exceed: (1) The basic education skills identified in RCW 28A.150.210; (2) the graduation requirements under RCW 28A.230.090; ~~((and))~~ (3) the courses required to meet the minimum college entrance requirements under RCW 28A.230.130; and (4) the course options for career development under RCW 28A.230.130. Such courses may be applied or theoretical, academic, or vocational.

Sec. 2. RCW 28A.230.130 and 1991 c 116 s 9 are each amended to read as follows:

(1) All public high schools of the state shall provide a program, directly or in cooperation with a community college or another school district, for students whose educational plans include application for entrance to a baccalaureate-granting institution after being granted a high school diploma. The program shall help these students to meet at least the minimum entrance requirements under RCW 28B.10.050.

(2) All public high schools of the state shall provide a program, directly or in cooperation with a community or technical college, a skills center, an apprenticeship committee, or another school district, for

students who plan to pursue career or work opportunities other than entrance to a baccalaureate-granting institution after being granted a high school diploma. These programs may:

(a) Help students demonstrate the application of essential academic learning requirements to the world of work, occupation-specific skills, knowledge of more than one career in a chosen pathway, and employability and leadership skills; and

(b) Help students demonstrate the knowledge and skill needed to prepare for industry certification, and/or have the opportunity to articulate to postsecondary education and training programs.

(3) The state board of education, upon request from local school districts, may grant (~~temporary exemptions~~) waivers from the requirements to provide the program described in subsections (1) and (2) of this section for reasons relating to school district size and the availability of staff authorized to teach subjects which must be provided. In considering waiver requests related to programs in subsection (2) of this section, the state board of education shall consider the extent to which the school district has offered such programs before the 2003-04 school year.

--- END ---



March 5, 2003

EXECUTIVE OFFICE

MAR 12 2003

WORKFORCE TRAINING AND
EDUCATION COORDINATING BOARD

Senator Don Carlson
P.O. Box 40449
Olympia, WA 98504

Dear Senator Carlson,

On the recommendation of the Greater Vancouver Chamber of Commerce Workforce Business Interest Group (BIG), whose members consist of local business representatives, the Southwest Washington Workforce Development Council, Educational Service District 112; the Chamber's Board of Directors voted unanimously to fully support Senate Bill 5505 and House Bill 1487 that would provide course study options for public high schools.

The Chamber recognizes the legislation is an important tool in developing and securing skilled workers and enhancing workforce development. Accordingly, the bill will benefit both the students who enter the workforce upon graduating from high school, our local business community, and businesses statewide.

We are aware that the legislation (SB 5505) will be up for vote shortly, if we can be of assistance to ensure passage of this important legislation, please let us know.

Sincerely,

John McKibbin
GVCC President/CEO

Mike Worthy
GVCC Chairman of the Board

Joe Pinzone
Chair, GVCC Workforce Business Interest Group

CC: Representative Kathy Haigh
Senator Don Benton
Senator Joe Zarelli
Don Brunnell
Mike Hudson

ENGROSSED SUBSTITUTE HOUSE BILL 1852

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Schual-Berke, Conway, Cox, Cody, Kenney, Pflug, Clements, O'Brien, Chase, Morrell, Veloria and Skinner)

READ FIRST TIME 03/05/03.

AN ACT Relating to facilitating collaboration among health care work force stakeholders to address the health care personnel shortage; amending RCW 28B.115.070 and 28B.115.090; adding a new section to chapter 28C.18 RCW; creating a new section; and repealing RCW 28B.125.005, 28B.125.010, 28B.125.020, and 28B.125.030.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature finds and declares:

- (1) There is a severe shortage of health care personnel in Washington state;
- (2) The shortage contributes to increased costs in health care and threatens the ability of the health care system to provide adequate and accessible services;
- (3) The current shortage of health care personnel is structural rather than the cyclical shortages of the past, and this is due to demographic changes that will increase demand for health care services;
- (4) An increasing proportion of the population will reach retirement age, and an increasing proportion of health care personnel will also reach retirement age; and
- (5) There should be continuing collaboration among health care

work force stakeholders to address the shortage of health care personnel.

NEW SECTION. Sec. 2. A new section is added to chapter 28C.18 RCW to read as follows:

The board shall:

(1) Facilitate ongoing collaboration among stakeholders in order to address the health care personnel shortage;

(2) In collaboration with stakeholders, establish and maintain a state strategic plan for ensuring an adequate supply of health care personnel that safeguards the ability of the health care delivery system in Washington state to provide quality, accessible health care to residents of Washington; and

(3) Report to the governor and legislature by December 31, 2003, and annually thereafter, on progress on the state plan and make additional recommendations as necessary.

Sec. 3. RCW 28B.115.070 and 1991 c 332 s 20 are each amended to read as follows:

After June 1, 1992, the department, in consultation with the board and the department of social and health services, shall:

(1) Determine eligible credentialed health care professions for the purposes of the loan repayment and scholarship program authorized by this chapter. Eligibility shall be based upon an assessment that determines that there is a shortage or insufficient availability of a credentialed profession so as to jeopardize patient care and pose a threat to the public health and safety. The department shall consider the relative degree of shortages among professions when determining eligibility. ~~((This determination shall be based upon health professional shortage needs identified in the health personnel resource plan authorized by RCW 28B.125.010.))~~ The department may add or remove professions from eligibility based upon the determination that a profession is no longer in shortage ~~((as determined by the health personnel resource plan))~~. Should a profession no longer be eligible, participants or eligible students who have received scholarships shall be eligible to continue to receive scholarships or loan repayments until they are no longer eligible or until their service obligation has been completed;

(2) Determine health professional shortage areas for each of the eligible credentialed health care professions.

Sec. 4. RCW 28B.115.090 and 1991 c 332 s 22 are each amended to read as follows:

(1) The board may grant loan repayment and scholarship awards to eligible participants from the funds appropriated for this purpose, or from any private or public funds given to the board for this purpose.

Participants are ineligible to receive loan repayment if they have received a scholarship from programs authorized under this chapter or chapter ~~((28B.104 or))~~ 70.180 RCW or are ineligible to receive a scholarship if they have received loan repayment authorized under this chapter or chapter ~~((18.150))~~ 28B.115 RCW.

(2) Funds appropriated for the program, including reasonable administrative costs, may be used by the board for the purposes of loan repayments or scholarships. The board shall annually establish the total amount of funding to be awarded for loan repayments and scholarships and such allocations shall be established based upon the best utilization of funding for that year ~~((and based upon the health personnel resource plan authorized in RCW 28B.125.010))~~.

(3) One portion of the funding appropriated for the program shall be used by the board as a recruitment incentive for communities participating in the community-based recruitment and retention program as authorized by chapter 70.185 RCW; one portion of the funding shall be used by the board as a recruitment incentive for recruitment activities in state-operated institutions, county public health departments and districts, county human service agencies, federal and state contracted community health clinics, and other health care facilities, such as rural hospitals that have been identified by the department, as providing substantial amounts of charity care or publicly subsidized health care; one portion of the funding shall be used by the board for all other awards. The board shall determine the amount of total funding to be distributed between the three portions.

NEW SECTION. **Sec. 5.** The following acts or parts of acts are each repealed:

(1) RCW 28B.125.005 (Intent) and 1991 c 332 s 4;

(2) RCW 28B.125.010 (Statewide health personnel resource plan--Committee) and 1998 c 245 s 15, 1993 c 492 s 270, & 1991 c 332 s 5;

(3) RCW 28B.125.020 (Institutional plans--Implementation) and 1991 sp.s. c 27 s 1; and

(4) RCW 28B.125.030 (New training programs) and 1993 c 323 s 5.

--- END ---



STATE OF WASHINGTON

Workforce Training and Education Coordinating Board

128 - 10th Avenue, S.W. • P.O. Box 43105 • Olympia, WA 98504-3105

Phone: (360) 753-5662 • Fax: (360) 586-5862 • Web: www.wtb.wa.gov • Email: wtecb@wtb.wa.gov

March 6, 2003

4th Annual Heroes of Health Care Awards
Washington Health Foundation
300 Elliott Avenue, West, Suite 300
Seattle, WA 98119-4118

To Whom It May Concern:

I am delighted to support the nomination of Dr. William Gray as a *Hero of Health Care* in the *Leadership* category.

Bill is the Vice-Chair of the state's Health Care Personnel Shortage Task Force which the Workforce Training and Education Coordinating Board has supported during 2002. His skill, good humor, and perseverance enabled the diverse range of stakeholders on the task force to reach consensus on priority goals and strategies to address Washington's severe shortages of health care personnel. These goals are published in the report "Health Care Personnel Shortage: Crisis or Opportunity?" (Please find the report enclosed. It is also available online at <http://www.wtb.wa.gov/HCTFRP02.PDF>.) This report is in demand by health workforce stakeholders across the state and nationally.

Bill's qualifications and experience have added two critical dimensions to the task force. As an educator, and Chief Executive Officer and Dean of Washington State University-Spokane, he brings a knowledge of health care education, and as Chairman of the Board for Empire Health Systems, he knows the challenges faced by health care providers. Another vital contribution to task force work is his ability to inspire commitment among task force members, representing health care employers, professional associations, labor, education providers and state agencies, who are high-level, busy individuals.

Bill's professional stature and knowledge have increased visibility of the critical shortages of health care personnel in the state, and have stimulated a high level of collaboration, enhancing partnerships among state and local stakeholders. His passion and dedication for improving the quality of care, and increasing access to care are major reasons behind the growing list of successes of the Health Care Personnel Shortage Task Force and the strategies that have been implemented to date.

Please do not hesitate to contact me if you have any further questions.

Sincerely,

Ellen O'Brien Saunders
Executive Director

Enclosure





STATE OF WASHINGTON

Workforce Training and Education Coordinating Board

128 - 10th Avenue, S.W. • P.O. Box 43105 • Olympia, WA 98504-3105

Phone: (360) 753-5662 • Fax: (360) 586-5862 • Web: www.wtb.wa.gov • Email: wtecb@wtb.wa.gov

March 11, 2003

4th Annual Heroes of Health Care Awards
Washington Health Foundation
300 Elliott Avenue, West, Suite 300
Seattle, WA 98119-4118

To Whom It May Concern:

I am delighted to support the nomination of *Pierce County Health Services Careers Council (Council)* as a Hero of Health Care in the *Collaboration* category.

Since its inception in 2000, the Council has been an outstanding model for effective public private partnerships, and has implemented innovative strategies to combat the severe shortages of health care personnel in the area.

While the members of the Council represent the diverse perspectives of employers, education and training providers, and labor, they have been willing to collaborate closely, committing significant time and resources. The result of this collaboration has enabled them to overcome obstacles, and create practical solutions.

The Council is one of eight health skills panels in Washington that has received funding from the Workforce Training and Education Coordinating Board to sustain facilitation. The Council does not rely on one funding source, but accesses a variety of sources to support implementation of its action plan. The Council has directed approximately \$4.6 million dollars to health care personnel shortage initiatives, from state and federal grants, federal workforce investment allocations, and private sector funding.

Successful Council initiatives include:

- **Expanding educational capacity** in a variety of health care programs: nursing (registered nurse, practical nurse), radiology technology, respiratory therapy, surgical technology, and health information technician, among others.
- **Expanding clinical training capacity** in nursing programs by implementing a coordinated clinical training system.
- **Developing health care apprenticeships.** The Council is soon to implement the Health Unit Coordinator Apprenticeship pilot program, the first of its kind in the country.

- **Training incumbent workers to move up the career ladder and fill high demand positions.** The Council created an industry-sponsored position for a WorkSource Career Specialist to work on-site at area hospitals to develop skills of incumbent workers. By December 2002, 800 workers had received guidance for developing their health care careers.
- **Recruiting K-12 students and others into health care.** The council co-sponsored the KIRO Nursing Campaign and website to improve the image of nursing as a career, and has implemented a local marketing campaign for health careers utilizing multi-media.

In addition to creating local solutions, the Council openly shares challenges and successes with other local health skills panels and state stakeholders. The Council's achievements have informed the development of the state recommendations for addressing the shortage of health personnel. (See the report of the Health Care Personnel Shortage Task Force at: <http://www.wtb.wa.gov/HCTFRP02.PDF>) This willingness to share knowledge, to overcome barriers, and to forge new ground, makes the Council an ideal candidate for your award.

Please do not hesitate to contact me if you have any further questions.

Sincerely,



Ellen O'Brien Saunders
Executive Director

Enclosure



STATE OF WASHINGTON

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February 27, 2003

Stars of Education Awards Selection Committee
National Association of State Directors of Career Technical Education Consortium
444 North Capitol Street, NW, Suite 830
Washington, DC 20001

Dear Awards Selection Committee:

I'm delighted to nominate Lisa Edwards Pletcher for a Distinguished Service Award from the National Association of State Directors of Career Technical Education Consortium (NASDCTEc). Lisa demonstrates a unique combination of "vision" and the "management skills" to get the job done. Working from the Tech Prep platform, she has created a solid, energetic, and productive partnership of school districts, colleges, and businesses that has, among other achievements, created visible career pathways for kids and responded to the skill needs of industry. Her mantra "we need everyone at the table" is one of the secrets to her success; indeed, her Board Chair Dr. Michele Johnson, President of Pierce College Fort Steilacoom, commented, "It's so awesome the way she can reach across (systems and institutions)."

From my perspective at the state level, Lisa is someone I would love to clone. She is positive, imaginative, tenacious, tireless, good-humored and practical. Lisa thinks Big, and produces solid and visible benefits for career and technical education and for the citizens of Tacoma/Pierce County. She is very deserving of this recognition, and I'm delighted to put her name forward for it.

In the event that she is selected, I'm committed to working with NASDCTEc to get the maximum amount of publicity for her and the organization.

Most sincerely,

Ellen O'Brien Saunders
Executive Director

Enclosures

cc: Dr. Michele Johnson, President, Pierce College Fort Steilacoom, and Chair of the Pierce County Careers Consortium



STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
PO Box 9046 • Olympia, WA 98507-9046

Washington Workforce Association

www.washingtonworkforce.org



601 Main Street Suite 403
Vancouver WA 98660-3404
360.693.6362
fax 360.693.7371

December 20, 2002

Dear WorkSource Partners:

The WorkSource system in Washington State has achieved many successes since the inception of the Workforce Investment Act. One difficulty for the system has been the consistent reporting of self-service activities throughout the state. This tracking is critical in order to provide information to WorkSource management, state administration, and federal decision makers. Congress and the U.S. Department of Labor need to know the number and extent of self-service activities used by our customers.

In order to address this tracking need, the Washington Workforce Association (WWA) and Employment Security Department (ESD) formed a joint committee to assess various tracking mechanisms and make a recommendation for a statewide system. The committee recommended the WorkSource Tracking System (WTS) developed by the Tri-County Workforce Development Council for statewide adoption.

The WTS is an internet-based system that provides customized local management tools and consistent statewide information. The WTS allows multiple sites to access one centralized database, making maintenance upgrades, site and system reporting simple, efficient and cost effective. The WTS is flexible, allowing each WorkSource site to maintain its own unique identity and information, and is fully compatible for interface in the future with the state's Skills, Knowledge and Information Exchange System (SKIES).

A June 30, 2003 implementation date is targeted to facilitate the accurate reporting of PY 03 services. A business plan is being developed collaboratively by the ESD and WWA for distribution in January to assist local planning efforts. In addition, a local technical support contact list, an Implementation Guide, a PowerPoint presentation and a WTS demo is available at the Washington Workforce Association website (www.washingtonworkforce.org).

We are pleased to support the implementation of the WTS and look forward to the benefits it offers.

Sincerely,

Gary E. Gallwas, Assistant Commissioner
Employment Training Division

Nelson Meyers, Assistant Commissioner
WorkSource Operations Division

Michael H. Kennedy, Chairman
Washington Workforce Association

Thomas Bynum, Assistant Commissioner
Information Technology System Division

Interagency Committee
Meeting Notes for January 17, 2003

Attending: Brigit Kitt, SBCTC/Office of Adult Literacy; Mike Kennedy, Washington Workforce Association; Kris Stadelman (via phone), Seattle-King County WDC; Ginger Rich, CTED; Paul Knox, CTED/Work First; Holly Watson, Ross Wiggins, ESD; Jim Crabbe, SBCTC; Randy Loomans, WSLC; Edie McBride, DSHS/DVR; Debora Merle, Governor's Executive Policy Office; Bryan Wilson, Walt Wong, and Ellen O'Brien Saunders, WTECB

January 30, 2003, Board Meeting Agenda

The committee reviewed the proposed agenda for the January 30 Board meeting.

Congressional Advocacy on Workforce Development Funds

Material was shared regarding Personal Reemployment Accounts proposal by President Bush's Administration. Mike Kennedy said that he thinks that \$655 million would be directly cut from WIA under the federal proposal and Kris Stadelman agreed that it would be a substantial cut. Bryan Wilson indicated that advocacy may be in two phases: (1) present opposition to cuts in WIA; and (2) longer phase of continuing to work on analyzing and responding to the President's proposal. Part of this would be to see what other constituents' reactions are before responding to the proposed cuts. Bryan suggested writing a joint letter from workforce development system partners to the Congressional delegation for the initial phase. Kris believes that appropriations are the issue, not reauthorization. Kris discussed consideration of the three-state letter in addition to this other joint letter. Bryan responded that it should be part of the longer phase response. The first need is to make sure our stakeholders express their views to the Congressional delegation. We are the states with the highest unemployment rate but that also means we received the most WIA money – of which there is also an issue of whether we are spending it all now. Staff at WTECB with work with partners on drafting the letter to the Congressional delegation.

Ellen discussed the longer phase response. Last year, the IC developed a process for WIA reauthorization and Ellen suggests that a similar process is used for this. The key issues need to be identified and it was determined that special meeting of the IC will be convened to address this. The target is to have a proposal for the March 27 Board meeting.

Kris shared that Tim Probst has drafted a letter to President Bush regarding the Personal Reemployments Accounts and will e-mail this to Bryan who will share with the IC along with other national workforce development organization positions.

National Institute for Literacy Project on Workforce Readiness Credential

Ellen shared material on the National Institute for Literacy project on Workforce Readiness Credential. It was noted that it is a demonstration project to develop curriculum with the purpose of assessing basic workplace skills. Randy Loomans had questions regarding why the state would pay for this and where the employer's role was in such an activity. Would employers use

a Workforce Readiness Credential to base hiring decisions? Deb Merle asked whether employers really wanted this. She also wondered if these were SCANS skills and if they are, why do we think that this assessment is any better than others?

Brigit Kitt noted that the Basic Skills program has been implementing something like this and it has been working. Brigit was not familiar with this particular project, however. Paul Knox reinforced the need and noted that Work Keys are similar; Ellen said implementing Work Keys statewide would be very expensive. Jim Crabbe expressed some skepticism. Mike and Kris indicated some interest in looking at this further but wondered whether employers would use it.

Interagency Committee
Meeting Notes for February 3 and February 7, 2003

Attending: Mike Kennedy, Washington Workforce Association; Kris Stadelman (via phone), Seattle-King County WDC; Ginger Rich, CTED; Paul Knox, CTED/Work First; Janet Bloom, Ross Wiggins, ESD; Jim Crabbe, SBCTC; Randy Loomans, WSLC; Edie McBride, DSHS/DVR; Debora Merle, Governor's Executive Policy Office; Bryan Wilson, Walt Wong, Pam Lund, and Ellen O'Brien Saunders, WTECB.

These were two special IC meetings convened to develop the state's position on federal policy and budget proposals. Position papers, federal budget worksheets, and other documents were shared with IC members prior to these meetings.

- H-1B grants – Senate kept training grants funded under H-1B.
- Office of Management and Budget's Department of Labor budget for 2004 takes WIA Title 1 Dislocated Worker and Employment Service Grants and rolls them into one block grant.
- Question on the budget for Training and Employment Resources – how do they get from 7.2 million in 2002 to 7.5 million in 2004 when there are cuts in between?
- The Department of Education budget for 2004 allows states to take secondary technical education money and use it to boost Title 1 programs, including high school exams. The budget emphasizes preparing students for academic goals, not career and technical education.
- Jim Crabbe shared the response to the Administration budget from the American Association of Community Colleges (AACC), which found reasons to be both encouraged and concerned.

Strategy:

- Send the three-state letter regarding support for workforce development programs.
- The advocacy paper will be revised.
- There will be a joint press briefing March 3 or 4 with the National Association of Workforce Boards in Washington, DC (at their national meeting).
- A series of position papers will be developed to outline state's positions on President's budget proposal and the Personal Reemployment Accounts.
- Jim suggested that we use the AACC and labor papers as a starting point and to suggest this message: we appreciate the money but we would prefer to add it to existing programs under WIA and UI. Mike Kennedy echoed this suggestion.

Personal Reemployment Accounts Position Paper

- Main point is that it would be more efficient to spend money on existing programs.
- The cap is too low; states should decide.
- Mike and Janet Bloom asked if we can reframe the discussion to have this supplement WIA – like a match.
- The IC discussed the response from the AFL-CIO to the Personal Reemployment Accounts, which has concerns.
- How do we balance our concerns with the Personal Reemployment Accounts with the potential addition of 3.6 billion dollars to help jobless workers?

- Paul Knox asked what the Administration is trying to do with this proposal. It is part of an economic stimulus package, but it appears that it is paying people to stay out of the workforce development system. Mike sees it as the federal government trying to get out of extended Unemployment Insurance benefits.
- Janet is concerned that One Stop dollars may be spread thinner and thinner.
- Randy Loomans wondered if we are not coming out strong enough but Bryan suggested we should use a more diplomatic approach.
- Ross Wiggins suggested that this is really an incentive for people to take the first available job, then the workers will not be able to get any other services for a year, which could really hurt some of the most disadvantaged.

President's Budget Proposal Position Paper

- Ross and Janet discussed that the Trade Assistance (TAA) is not to the level that was promised before.
- Bryan thinks the proposal is to merge and block grant Wagner-Peyser and WIA Title 1 for adult services. Kris sees the block grant as a smoke screen. It may not mean budget cuts for this year, but maybe next year. She thinks we should come out against block grants – Janet and Mike agree. Janet is concerned about combining adult and dislocated workers and then prioritizing for low-income, what happens then to the dislocated worker program?
- Mike suggested that we do not reflect that we are opposed to block grants but ask if there are some questions or issues that we need clarification on. Bryan agreed that this could be a good direction.

Draft Paper from Northwestern States Workforce Association

- WTECB has been asked to sign as a co-sponsor.
- Bryan has been working with Tim Probst on changes to the draft, including a change on issue #3 regarding the waiver authority for local board membership. We asked that it be changed to reflect that waiver authority is to be approved by the Governor, not just reviewed, to be consistent with the authority in current law.
- Kris said this paper is really about reauthorization legislation, not the budget. This will be presented at the National Association of Workforce Boards national meeting in Washington DC in early March.
- Paul suggested referencing the budget proposal.
- There was general support for this paper and Bryan will continue to work with Tim on the suggested changes. Ellen noted she had some edits as well.
- Ellen will poll WTECB Board members for their approval on this paper.

Interagency Committee
Meeting Notes for February 14, 2003

Attending: Debbie Cook, DSB; Paul Knox, CTED/Work First; Gary Gallwas, Ross Wiggins, ESD; Terry Redmon, DSHS/DVR; Tim Probst, Washington Workforce Association; Bryan Wilson, Walt Wong, and Ellen O'Brien Saunders, WTECB.

Personal Reemployment Accounts Position Paper

There was general agreement on this re-draft. Next step: Ellen will send it to the Board members for endorsement, then to the Governor.

President's Budget Proposal Position Paper

There were a couple of suggestions on this paper. Bryan will finalize.

Draft Paper from Northwestern States Workforce Association

Gary Gallwas had several edits on this paper. He voiced concern over the process for developing this paper and did not feel there was enough involvement from Employment Security and some other stakeholders. Ellen will ensure that all WTECB members have a chance to review this. Ellen has some additional language that she and Tim are working on regarding partnership between the local Workforce Development Councils and the Governor.

Tim confirmed that the paper will be presented at a press conference on March 4 at the National Association of Workforce Boards national meeting in Washington, DC. Several legislators will be there, including Senators Cantwell and Murray.

March 27, 2003, WTECB Agenda

IC reviewed the draft agenda for the March 27, 2003, WTECB meeting. There will be a presentation on the results for target populations and a report on cluster-based workforce development. There will also be an update on WorkSource performance results and action on the Eligible Training Provider policy.

Other Discussion

Ellen noted that after session we would like to hear from the Division of Vocational Rehabilitation and from the Department of Services for the Blind on their programs.

Next IC meeting will be on March 14, 2003.

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD INTERAGENCY COMMITTEE

Role

The Workforce Training and Education Coordinating Board (WTECB) Interagency Committee (IC) is a working group of staff representatives to WTECB members whose purpose is to facilitate and support the coordinating role of the Board. An effective IC should result in informed Board member discussions, a more collaborative approach to attending to our state's workforce needs, and identification of new opportunities for coordinated leadership. Specifically, the IC:

- Provides for cross-system collaboration in developing policy issue papers for the Board's consideration. Example: Strategic plan for workforce development.
- Ensures that Board members are aware of agenda issues and prepared to participate productively in discussions.
- Identifies emerging issues critical to developing an excellent workforce development system.
- Supports the Board staff in crafting meaningful, relevant and compelling Board meeting agendas.
- Negotiates interagency differences in policy, perspective and priority.
- Communicates within their organizations/systems the goals and activities of the Board in order to ensure broad involvement and support in making progress.

Membership

The work of the Board will be enhanced, and the programs of the workforce development system strengthened when all relevant partners can be represented on the Interagency Committee. It's also critical to acknowledge that the Board members have specific expectations and requirements of their designees. Therefore, a two tier membership is established:

Core members:

WTECB, Executive Director, IC Chair

Current: Ellen O'Brien Saunders

WTECB, Associate Director for Policy and Research

Current: Bryan Wilson

Washington State Labor Council, Director of Education and Training

Current: Randy Loomans

Association of Washington Business representative

Current: Mike Hudson

Governor's Executive Policy Office/OFM, Executive Policy Advisor

Current: Debora Merle

Employment Security Department (ESD), Designee for Board Member

Current: Gary Gallwas

State Board for Community and Technical Colleges (SBCTC), Designee for Board
Member - Current: Rich Nafziger
Office of Superintendent of Public Instruction, Designee for Board Member
Current: Brian Jeffries
Department of Social and Health Services, Designee for Board Member
Current: Terry Redmon

Other members:

SBCTC/Office of Adult Literacy
Current: Israel Mendoza
SBCTC/Workforce Education
Current: Jim Crabbe
ESD program representatives as appropriate
Washington Workforce Association
Current: Mike Kennedy
DSHS program representatives as appropriate
CTED
Current: Ginger Rich
CTED/WorkFirst
Current: Paul Knox
Department of Services for the Blind
Current: Debbie Cook
Private Vocational Schools representative
Current: Gena Wikstrom
Labor and Industries/Apprenticeship
Current: Mike Ratko
WTECB, Associate Director for Workforce Development Partnerships
Current: Pam Lund
WTECB, Administrator of Program Management
Current: Walt Wong

There is anticipated to be no distinction between membership categories during discussions.
Additional individuals receive informational mailings with agenda items.

Meetings

An annual calendar of meetings will be developed and adopted once the Board's annual calendar is adopted. Special meetings may be called as necessary.

Meeting Notes

Notes of the meetings, including attendance and major discussion points, will be included in Board packets.

TAB 2

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**PRIVATE CAREER SCHOOLS AND COLLEGES
REPORT ON ACTIVITIES**

Each year the Board receives a report on the activities of private career schools and colleges, including the report from the Private Vocational School Act (PVSA) Advisory Committee. The committee advises the agency in the administration of the PVSA and participates in the exchange of information that affects the proprietary school/college industry. The Chairperson's Annual Report and the committee membership follow this page. The Advisory Committee Chair, Mr. Peter Tenney, President of Bryman College, will present the report to the Board on behalf of the committee.

The Washington Federation of Private Career Schools and Colleges (WFPCSC) is the state's association organized to represent private career schools and colleges and the students who are served by those institutions. The Executive Director of the WFPCSC, Ms. LouGena Wikstrom, and members of the Federation will provide the Board with information on activities occurring at private career schools and colleges. Panel members include: Mr. Ed Ebel, President, Salmon Computers; Mr. John Paul Johnston, Director, Divers Institute of Technology; Ms. Mardell Lanfranco, President, Western Business College and Vice Chair of the PVSA Advisory Committee; and Mr. Mike Milford, Director, ITT Technical Institute.

Board Action Requested: None. For information only.

ADVISORY COMMITTEE FOR PRIVATE VOCATIONAL SCHOOLS

to the Washington Workforce Training and Education Coordinating Board
128 Tenth Avenue SW
PO Box 43105
Olympia WA 98504-3105

CHAIRPERSON'S ANNUAL REPORT TO THE BOARD

On behalf of the members of the Private Vocational School Act Advisory Committee and the private vocational schools and colleges we represent throughout the state, I submit this annual report to the Workforce Training and Education Coordinating Board.

The Industry

There are 222 currently licensed private vocational schools and colleges in Washington State and another 26 out-of-state schools that are licensed because they actively recruit students in the state. Each year, these schools train over 28,000 Washington residents in approximately 175 occupations.

Conducting Our Work

The committee conducts three meetings per year including a combined all school/committee meeting in the fall. This combined meeting allows for a larger shared dialogue and the participation of interested local school owners and administrators throughout the industry. The committee establishes a program of work for the year that focuses our attention on critical aspects of workforce training and the provision of educational services necessary to insure successful participation of private career schools and colleges.

A Look Back

The 2002 Program of Work included the following areas:

Workforce Investment Act (WIA)

The Committee directed its attention on the progress of Washington State's Eligible Training Provider (ETP) List and becoming more informed about the availability of individual training accounts or vouchers. Representatives from WTECB and the ESD shared pertinent information on these topics with the committee. Private career schools and colleges currently represent well over half of the state's training providers on the ETP offering 456 eligible programs. We are pleased that the online application allows schools to update information that can be of use to potential students. The work of the staff in developing the application and the commitment to continuous improvement is appreciated. Discussions involving referrals and access to vouchers occurred. We expect to learn more in the coming year on how our schools can participate more aggressively, especially in local relationships with the 12 Workforce Development Councils.

Electronic Licensing Application

We were pleased to assist with the development and implementation of the electronic licensing application and individual committee members stepped forward to participate. Every opportunity we have to avoid paper shuffling and tedious submittals allows us to concentrate on the job of education. We will continue to promote its use by our colleagues. Future discussions on enhancing the electronic licensing initiatives process include examining the merits of paying fees on-line and submittal of catalogues as part of the continuous efforts to streamline the process. We appreciated the sharing by the staff of other initiatives that the state has implemented or is considering that make doing business with the state simple and less bureaucratic. We will continue to offer suggestions from our view as both consumers and providers of services.

Instructor Training

The committee discussed teacher preparation and training and the necessity of attracting and retaining qualified and dedicated instructors. The continued success of our schools is measured by the ability of students to enter well-paying jobs with credentials that reflect their educational attainment. Having motivated and skilled teachers is essential to accomplishing this success and realizing the goals of our individual institutions. Many of our schools have excellent teacher training activities. We had opportunities to review certification requirements of the public systems and heard from some of our colleagues on their efforts. We'll continue to identify instructor training best practices and to promote them throughout the industry.

Transfer of Credit

Transfer of credit continues to be an area of concern. We are very concerned that students are not required to duplicate coursework in order to meet matriculation requirements of particular institutions. Private schools and colleges need to review their individual requirements for accepting transferred students into their programs.

Coordination

Committee meetings continue to provide opportunities for conversations regarding the regulatory activities of other state-level and federal agencies that affect private vocational schools. We received reports on activities of the Higher Education Coordinating Board, the Washington Department of Licensing, the U.S. Department of Education, and the U.S. Department of Veterans Affairs' Education Division. We also followed the work of national organizations and associations that tie directly to our schools, including the various accrediting agencies, the Career College Association, and the National Association of State Administrators and Supervisors of Private Schools. These discussions have significance for both state staff and our private schools and will continue into 2003.

We are also advocates of coordination and collaboration with the state's community and technical college system. The workforce needs of employers require participation and involvement by all deliverers of career and technical education. We are appreciative of the availability of the Worker Retraining Program funds and other sources and will continue to work with the State Board for Community and Technical Colleges and the individual campuses to promote coordination.

A Look Forward

The committee will focus its attention this year on a single topic: Stakeholder Relationships. It is our hope that a concerted effort to examine, understand, and interact with the various partners and related programs will improve the relationships between and among private career schools and colleges and others. We expect to hear from key state partners and discuss the involvement of local counterparts on many critical initiatives and key state and federal programs. It is our belief that an informed committee can be instrumental in improving the community's knowledge of what our institutions can offer and how we may partner in meeting the needs associated with forging a high skills, high wage workforce. In addition to this focused program of work item, we'll continue to promote and encourage the electronic license application. We'll discuss reporting and the eligible training provider list and provide some opportunity for ad hoc reports on a variety of lesser topics including distance education and transfer of credit.

2003 Committee Officers

Officers of the Committee for 2003 include: Chairperson: Peter Tenney, Bryman College; Vice-Chairperson: Mardell Lanfranco, Western Business College; and Secretary: Lynn Rullman, International Air Academy, Inc. Other members include Heida Brenneke, Brenneke School of Massage; Ronda Lee, Washington Academy of Dental Assisting; Bill McMeekin, Puget Sound Center for Teaching, Learning, and Technology; Carol Mizumori, Pima Medical Institute; Judy Ward, Hypnotherapy Institute of Spokane; and Gena Wikstrom, Washington Federation of Private Career Schools and Colleges.

In Closing

This Committee remains a vital link between the Workforce Board and private career schools and colleges in the state. The participation and dialogue we engage in allows our institutions a chance to be seen, to be heard, and to be an active part of the on-going process of change and improvement in professional and career and technical education in Washington State.

I extend my gratitude to the officers and committee members in 2002 for their participation and dedication and to the staff of the Board for the work and support they provide to this Committee. As the current chair, I look forward to engaging the committee and our industry as a whole in meeting the challenge of providing a highly-trained workforce that is second to none.

TAB 3

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**UPDATING
LOCAL AREA STRATEGIC PLANS
FOR THE WORKFORCE DEVELOPMENT SYSTEM**

Governor Executive Order 99-02 directs Workforce Development Councils (WDCs), in partnership with Chief Local Elected Officials (CLEOs) to develop and maintain a local unified plan. The local unified plan includes:

1. An operations plan for Title I-B employment and training programs funded under the Workforce Investment Act (WIA).
2. A strategic plan for the workforce development system.

The local strategic plans are to be consistent with the State Strategic Plan for Workforce Development. Following the Board's adoption of the 2002 edition of "High Skills, High Wages: Our Agenda for Action," the twelve Workforce Development Councils began organizing processes to update their local strategic workforce development plans.

The Councils are using guidelines issued by WTECB in September 2002 to ensure that:

1. The plans address strategies assigned to them in the 2002 edition of "High Skills, High Wages," thereby ensuring alignment of the local plans with the state strategic plan.
2. The plans are approvable at the time they are submitted to WTECB.

Attachment 1 under this tab describes Council progress in updating local area strategic plans. Also included under this tab is a chart showing dates when drafts of local plans will be available for initial review and adoption. The due date for CLEOs to submit their updated strategic plans to WTECB is June 30, 2003.

Board members Tony Lee and Beth Thew will describe local processes in their WDCs.

Board Action Required: None. For informational purposes only.

UPDATING LOCAL AREA STRATEGIC PLANS FOR THE WORKFORCE DEVELOPMENT SYSTEM

Progress Summary:

During the latter part of 2002, Workforce Development Councils (WDCs) developed work plans and made committee assignments to update their strategic plans. Council members discussed local workforce goals and objectives. In addition, they reviewed the strategies in “High Skills, High Wages 2002” for which WDCs are given a “lead” or “partner” role. Some Councils hired consultants to manage plan development and community stakeholder processes. Others selected a facilitator to guide discussions at Council retreats. Topics at Council meetings and retreats included community needs and priorities for strengthening local area workforce and economic development systems. As a result of these discussions, Councils are asking WorkSource partnership groups, Youth Councils, and other stakeholder planning teams to study target areas needing attention and to formulate recommendations.

WDC Directors indicate that Council members are finding this to be a very positive experience. WDC Directors say that the process is invigorating Council members and is serving as a meaningful orientation for newer members. Discussions about workforce needs and strategies are helping new members better understand the “scope” of Council work and leadership. Chief Local Elected Officials are taking an active part in the planning process. The process is acquainting newly elected officials to workforce strategies important to their Councils and to stakeholder groups. Styles for updating the plans vary. Some Councils are choosing to write an entirely new plan while others will use the 2003 update to add (or amend) their Unified Plan originally approved by the Governor in 2000. One Council is making adjustments and refinements to a Strategic Action Plan it approved in the summer of 2002. Another is folding the update process into its plans for developing a multi-year strategic blueprint.

Councils are scheduling meetings in March and April to review draft plans. Public review, including town hall meetings, will happen in the spring and draft plans will be shared with WTECB staff. Councils will adopt final plans in May or June. WDC Directors express confidence that the goals, objectives, and strategies in their plans will align with goals, objectives, and strategies in “High Skills, High Wages 2002.”

**CALENDAR FOR UPDATING LOCAL AREA
STRATEGIC PLANS FOR WORKFORCE DEVELOPMENT**

WORKFORCE DEVELOPMENT COUNCIL (WDC)	Date when “draft” plan will be available for review	Date when Council meets to adopt its local area plan
Benton-Franklin WDC <i>Benton and Franklin Counties</i>	March 31	May 25
Eastern Washington Partnership WDC <i>Ferry, Pend Oreille, Garfield, Stevens, Columbia, Lincoln, Whitman, Asotin, and Walla Walla Counties</i>	April 24	Last week of June
North Central WDC <i>Chelan, Okanogan, Grant, Douglas, and Adams Counties</i>	March 28	May 20
Northwest WDC <i>Whatcom, Skagit, Island, and San Juan Counties</i>	TBD	TBD
Olympic WDC <i>Clallam, Kitsap, and Jefferson Counties</i>	April 15	May 13
Pacific Mountain WDC <i>Grays Harbor, Mason, Lewis, Thurston, and Pacific Counties</i>	March 31	First week of June
Seattle-King County WDC <i>King County</i>	April 8	June 20
Snohomish County WDC <i>Snohomish County</i>	May 15	June 26
Southwest Washington WDC <i>WDA 7 – Cowlitz, Wahkiakum, Skamania, and Clark Counties</i>	May 15	June 11
Spokane Area WDC <i>Spokane County</i>	March	June 4
Tacoma-Pierce County WDC <i>Pierce County</i>	May	TBD
Tri-County WDC <i>Yakima, Kittitas, and Klickitat Counties</i>	TBD	TBD

TAB 4

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**NATIONAL INSTITUTE FOR LITERACY
WORK READINESS CREDENTIAL**

The National Institute for Literacy recently approached the Workforce Training and Education Coordinating Board to engage Washington State participation with 5 or 6 additional states in a national pilot project to develop a Workforce Readiness Credential.

This credential will define a common national standard for work readiness reflecting the demands of the 21st Century workplace. It will include assessments to measure and certify that individuals have the knowledge, skills and abilities to work with others, and work within the context of organizations, problem solve, and respond to new work challenges.

The summary under this face sheet describes the benefits of participating in this project. It also lists supporters from Washington State, and current national participants.

Board Action Required: Adoption of the recommended motion.

RECOMMENDED MOTION

WHEREAS, The development of a work readiness credential will help Washington State employers identify and retain workers with needed interpersonal, problem solving, and communication skills;

WHEREAS, The National Institute for Literacy plans to pilot a project to develop a nationally recognized and employer-validated work readiness credential;

WHEREAS, State and local workforce partners and employers have indicated interest to participate with the Workforce Training and Education Coordinating Board and the National Institute for Literacy on this pilot project; and

WHEREAS, Workforce Board staff, with input from the Interagency Committee, has prepared the recommended participation in this pilot project for the Board's consideration;

NOW, THEREFORE BE IT RESOLVED, that the Workforce Training and Education Coordinating Board endorses Washington State's participation in the National Institute for Literacy's national pilot project to create a work readiness credential. A letter will be sent to the National Institute for Literacy from the Workforce Training and Education Coordinating Board to show intent to leverage \$350,000 with state and local partners to participate in this pilot project until June 2005.

National Institute for Literacy – Work Readiness Credential Pilot Project Background and Partnership

Since 1994, the National Institute for Literacy has led a collaborative, nationwide effort to develop and implement 16 voluntary adult learning standards, known as Equipped for the Future standards. Nearly 600 adult literacy programs in 38 states use these standards for teaching, and 17 states have adopted these standards as statewide learning results for one or more of their adult systems, including Washington State.

Using these standards, the National Association of Manufacturers and the National Institute for Literacy are developing a pilot project to create a workplace readiness credential, which will certify that both potential and incumbent workers have the knowledge, skills, and abilities they need to succeed in the 21st Century Workplace. This project has a strong commitment to engaging employers early in the development phase.

The National Institute for Literacy identified Washington State as one of 5 or 6 states to participate as a state pilot site for development of this credential. National partners committed to this project include: National Skill Standards Board, Manufacturing Skill Standards Council, National Retail Foundation, National Association of Manufacturers, and Center for Workforce Development of the Institute of Educational Leadership.

Four states that have made financial commitments to this work are: New York, Texas, New Jersey, and Pennsylvania. Florida will be making their decision by the end of March.

Conversations with several local and state workforce development leaders in Washington to support a shared, statewide approach to work readiness with national partners have been positive. The state agencies in bold have indicated both support and some ability to contribute financially. The following organizations have been involved in these conversations:

- **Community, Trade, and Economic Development**
- **Department of Social and Health Services**
- **Employment Security Department**
- Office of Superintendent of Public Instruction
- Six Workforce Development Councils
- **State Board for Community and Technical Colleges – Office of Adult Literacy**

In particular, Snohomish County, Southwest Washington, Tacoma-Pierce County, and Tri-County Workforce Development Councils have expressed direct interest and an ability to contribute dollars towards this project and to pilot the products in their region. In addition to investing as test areas for this pilot, these Workforce Development Councils will network with their employers to identify companies that can begin to work on this project in the near future, other councils have been asked if they would like to participate.

The credential design will include a computer-delivered assessment, with an online portfolio to document personal and professional development. Also, the assessment tool will be designed in modules, which will make it easy to use; customize to local needs, existing tools, and curricula. The total assessment length will be 90-120 minutes. When completed, the tool will assess skills of both English-speaking and non-English speaking individuals.

The National Institute for Literacy has conducted research to find and examine other initiatives that assess across standards for the development of a work readiness credential. No other project to date can offer employers a national, portable demonstration of a worker's employability skills. The only other initiative that is receiving national attention is WorkKeys. The primary difference between these two initiatives is fundamental: what the resulting credential represents. The WorkKeys initiative is currently using existing assessments to measure communications skills. As each WorkKeys assessment is 35-40 minutes in length, it only assesses proficiency on a few students.

Project Phases/Estimated Timeline:

The credential delivery system will be in place by June 2005. The Project Phases and Estimated Timeline for key products include:

June 2003 - Phase One: Work Readiness Profile Validated
May 2004 - Phase Two: Work Readiness Assessments Developed
June 2005 - Phase Three: Assessments Validated
June 2005 - Phase Four: Credentialing System Field Tested

The total project timeline is three years, and the total project investment is \$2.6 million. The National Institute for Literacy has invested \$500,000 from their operating budget. To date, Texas has invested \$350,000; New York has invested \$500,000. The minimum investment of each state is \$350,000. The National Association of Manufacturers will identify an employer who will invest in this program, such as Verizon, which has a company interest in literacy projects.

A letter of intent from Washington State would indicate that local and state partners will provide a minimum of \$350,000 to participate in the pilot over the next two years. Pilots of the credential will be implemented in the local regions that participate. A workgroup of local and state partners, including employers, will be established. Members of this workgroup will represent Washington State at national meetings in Washington, D.C. on a quarterly basis.

TAB 5

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**POSITION PAPERS ON PERSONAL REEMPLOYMENT ACCOUNTS
AND THE 2004 FEDERAL BUDGET**

The President has introduced major new policy initiatives in workforce development. One of these initiatives is Personal Reemployment Accounts for unemployed workers. His proposed budget for 2004 also outlines other proposals. The President is proposing some of the biggest changes in federal workforce development policies in recent years.

This tab includes two one-page position papers that respond to the President's new proposals. The purpose of the papers is to advise the Governor, and with his approval, the Washington Congressional Delegation regarding the President's proposals. Senator Patty Murray is now the ranking minority member of the Senate subcommittee that considers workforce development legislation. Senator Maria Cantwell continues to be very active regarding workforce development issues.

The position papers were developed by the Interagency Committee. Also included in this tab are tables showing the President's budget proposals for 2004, and a Department of Labor paper on Personal Reemployment Accounts (this was included in the Board's January meeting packet).

Board Action Requested: Adoption of the recommended motion.

RECOMMENDED MOTION

WHEREAS, One of the key assignments of the Workforce Training and Education Coordinating Board is to provide policy advice regarding new federal initiatives in workforce development;

WHEREAS, The President has unveiled major new policy initiatives for workforce development; and

WHEREAS, The Workforce Training and Education Coordinating Board staff have worked with the Interagency Committee to develop consensus positions on the President's proposals;

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board adopt the attached position papers and forward them to the Governor, and with his approval, the Washington's Congressional Delegation.

Position Paper Regarding the President's Personal Reemployment Account Proposal

President Bush has proposed the creation of Personal Reemployment Accounts to provide employment and training assistance to unemployed workers. We commend the President for proposing an infusion of \$3.6 billion dollars to help re-employ American workers. This is a welcomed change from the decline in Federal dollars that employment and training has experienced during the last twenty years.

We do, however, have serious reservations about the specific aspects of the President's proposal. We believe the money would be more efficiently spent if it were expended through the existing framework of the WIA and extended unemployment insurance benefits. The creation of a new system will require extensive efforts, expending much time and other resources that would be better spent in direct service. We should not waste limited federal resources creating new mechanisms when the necessary infrastructure is already in place.

If, nonetheless, a system of Personal Reemployment Accounts is created we would like to offer suggestions regarding elements of the proposal.

1. The proposed cap of \$3,000 is too low to account for all reasonable and effective uses of the money. For example, this amount would not cover the costs to an individual for assessment, counseling, one year of training at a community college, and job search assistance. Since such a package of services is currently available through WIA Title I, the proposal would reduce the assistance available per individual. The maximum amount of funding per individual should be left to the discretion of the states.
2. The proposal includes a one-year prohibition on receiving WIA services after the use of a Personal Reemployment Account. This does not allow assistance to unemployed workers who use their Account to obtain employment and who are then laid off within a year. The unemployed workers targeted by the proposal are often those most at risk of being laid off in the future. There should be no such prohibition on future WIA services.
3. The Personal Reemployment Accounts should not be a separate, stand-alone resource. Instead, the Accounts should be available as part of a broader package of services for assisting unemployed workers. Unemployed workers should be able to combine the Accounts with Pell Grants, WIA services, and other assistance. By allowing such packaging, the proposal would provide unemployed workers with sufficient resources to learn new skills and help fill skills gaps present in our economy.

If a new system of Personal Reemployment Accounts is to be created, we believe that these suggestions would greatly strengthen the Accounts' ability to help unemployed workers and stimulate the economy.

There are other aspects of the proposal that concern us as well, and we look forward to working with members of Congress as they consider the President's proposal.

Personal Reemployment Accounts – Questions and Answers

1. What is a Personal Reemployment Account?

A Personal Reemployment Account provides certain eligible individuals currently receiving Unemployment Insurance (UI) benefits, or some UI exhaustees, with a special worker-managed account of up to \$3,000 (the exact amount to be determined by the state) to purchase intensive reemployment, training, and supportive services. Account recipients may choose to access and purchase intensive reemployment, training, and supportive services currently available through the One-Stop Career Center system; use the account funds to purchase these service offerings from providers outside of the One-Stop Career Center system; or develop a reemployment strategy that combines services from both components. Allowable uses for account funds include: career counseling, occupational skills training, skills upgrading, child care, transportation expenses, and financial literacy counseling. Income support is an allowable use of the reemployment accounts funds, at state option, but only for those individuals that have exhausted UI benefits and are engaged in training and/or intensive services leading to a job.

If a new UI claimant becomes reemployed by his/her 13th UI benefit payment, any cash remaining unspent in the account will be provided directly to the worker in cash as a reemployment bonus. The bonus will be paid to the individual in two installments: 60 percent at employment and 40 percent after 6 months of job retention. Individuals who do not find employment by their 13th UI benefit payment will not be able to “cash out” their account but will continue to be able to purchase intensive reemployment, training, and supportive services for up to one year from the effective date of the established account.

If an individual who is currently receiving UI or has exhausted all UI benefits becomes reemployed by the 13th week of the effective date of the established account, he/she will be able to “cash out” the account similarly to UI beneficiaries and will receive the bonus in the two installments described. Individuals who do not find employment by the 13th week of the effective date of the established account will be able to continue to use the account to purchase intensive reemployment, training, and supportive services for up to one year from the effective date of the established account. Once reemployed, UI benefit exhaustees may not use their accounts for income support.

In certain cases, some individuals may exhaust UI benefits while using a Personal Reemployment Account established for them prior to UI exhaustion. In these cases, their account will be administered in much the same way as that of UI exhaustees.

Personal Reemployment Accounts will be a one-time benefit.

2. Why are these accounts being established?

Personal Reemployment Accounts are intended to: (1) empower job seekers by giving them more flexibility, personal choice, and individual control while providing access to intensive reemployment, training, and supportive services; (2) reduce the time an individual collects UI and speeds his/her return to the labor market; and (3) provide incentives that promote job retention.

3. Who is eligible for Personal Reemployment Accounts?

Two types of individuals may be eligible for a Personal Reemployment Account: (1) individuals receiving UI who are identified by the state as being "likely" to exhaust their regular UI benefits; and (2) some individuals who have exhausted their UI benefits within the last three months prior to the Personal Reemployment Account program's effective date and meet certain criteria.

Individuals who have exhausted their UI benefits may qualify for an account if they have exhausted all UI benefits within the last three months prior to the Personal Reemployment Account program's effective date, and they meet one of the following two criteria: (1) they are successfully in training, have not completed, and have exhausted UI benefits and need extra support to complete training (priority should be given to those who are training for shortage occupations or high growth industries); or (2) those who worked in industries or occupations that are declining or no longer functioning in the local labor market within the past two years. States will have the option of choosing additional targeting criteria.

4. Generally how will Personal Reemployment Accounts work?

Implementation of the Personal Reemployment Account program will differ somewhat depending on whether the unemployed worker is currently receiving UI benefits or has already exhausted his/her UI benefits. The following is a step-by-step process for each category of account recipient:

The steps leading to obtaining a Personal Reemployment Account for an unemployed worker receiving UI benefits are:

1. Under current law, an UI recipient identified by his/her state as "likely to exhaust" UI benefits must register with the state's Workforce Investment Act program to become a client of the already-established network of One-Stop Career Centers. Failure to do so risks the loss of UI benefits.
2. Recipients who are referred to reemployment services also may be eligible to receive an account, as determined by the state. Selected individuals will be offered a Personal Reemployment Account as part of the services they receive and will be provided with a Personal Reemployment Account of up to \$3,000 administered on their behalf by the One-Stop Career Center.
3. The individual can continue to be eligible for and receive UI benefits and will also be free to use core services (e.g., job search, local labor market information) provided by the public One-Stop Career Center. If the individual determines the need for other One-Stop Career Center services such as intensive reemployment services (e.g., counseling, case management), training, or supportive services, he/she must purchase these services with Personal Reemployment Account funds.

4. Intensive reemployment, training, and supportive services may be purchased from the One-Stop Career Center, other sources outside the One-Stop system or a combination of both. The One-Stop Career Center will provide payouts from the account upon receiving allowable invoices and cost documentation. Such payouts will reduce the balance of funds available in the Personal Reemployment Account.
5. If the individual becomes reemployed by his/her 13th UI benefit payment, any balance remaining unspent in his/her account will be provided directly to the worker in cash as a reemployment bonus paid out by the One-Stop Career Center administering the individual's account. Individuals currently receiving UI may also retain any balance remaining in the account as a reemployment bonus if they become reemployed by the 13th week of the effective date of the account. Full payout will close the account.
6. Individuals will be provided the cash balance in two installments: 60 percent at the time of employment and 40 percent after 6 months of retaining a job.
7. When the cash payout is completed, individuals may continue to use all of the no-cost, automated, and staff-assisted basic reemployment services available at One-Stop Career Centers. They will not, however, be eligible for intensive reemployment services such as counseling, case management, training, or supportive services under the Workforce Investment Act for a period of one-year after cash payout.
8. If the individual does not find employment by their 13th UI benefit payment, he/she will be able to continue to use the account resources as administered by the One-Stop Career Center for intensive reemployment, training, or supportive services for up to one year from the effective date of the established account. Individuals currently receiving UI who do not find employment by the 13th week of the effective date of the account, will also be able to continue to use it for services for up to one year.

The steps leading to obtaining a Personal Reemployment Account for an unemployed worker who has exhausted benefits:

1. An individual who has exhausted UI benefits within the last three months prior to the program's effective date may be identified by the state as qualifying for a Personal Reemployment Account. Individuals must also meet one of the following criteria: (1) they are successfully in training now but have not completed it and have exhausted benefits (with priority for those who are training for shortage occupations or high growth industries); or (2) they have worked in industries that are declining or no longer functioning in the local labor market within the past two years.

States may add additional limiting criteria.

2. Once identified by the state as eligible for a Personal Reemployment Account, the individual will follow the same steps outlined above for UI beneficiary account holders. A reemployment bonus will be available for those entering a job within 13 weeks of the effective date of the account.

3. States also have the option of allowing UI exhaustees to use their account funds for income support payments, similar to unemployment benefits, if they are engaged in training and/or intensive reemployment services leading to a job.
4. If the individual does not find employment by the 13th week of the effective date of the account, he/she will be able to continue to use the account funds for intensive reemployment, training, or supportive services for up to one year from the effective date of the established account.

The steps described above may vary from state to state depending on the operations of the public workforce investment system.

5. How are individuals that are the “likely to exhaust” identified?

By law, after an individual is found eligible to receive UI, states identify those recipients “who are likely to exhaust benefits and will need job search assistance services to make a successful transition to new employment” and refer these individuals to mandatory reemployment services. Although each state applies different criteria, the factors used to identify these workers include local unemployment rates, prior employment in a declining industry, the participant’s level of education, and the participant’s recent job tenure. The primary objective of this activity is to focus on augmenting reemployment services to those individuals identified through an early intervention process for the purpose of facilitating a quick re-attachment to the labor market. Personal Reemployment Accounts are yet another service tool that some of these job seekers can access to assist them in finding work more quickly.

6. How many individuals have already exhausted all UI benefits within the last three months?

According to recent UI data, 700,000 claimants exhausted Temporary Extended Unemployment Compensation (TEUC) in the last three months.

7. If a UI exhaustee receives a Personal Reemployment Account, is there a time limit on using the account?

A UI exhaustee may use the account resources as administered by the One-Stop Career Center for intensive reemployment, training, or supportive services for up to one year from the effective date of the established account.

8. For those UI exhaustees that are eligible and receive a Personal Reemployment Account, can they also receive public assistance funds?

Yes. The receipt of a Personal Reemployment Account does not make a UI exhaustee ineligible for public assistance. States will determine exactly which UI exhaustees will be eligible and receive Personal Reemployment Accounts.

9. Will the receipt of funds from Personal Reemployment Accounts have an adverse effect on an individual's ability to be eligible for full UI benefits?

No. An individual will continue to be eligible for and receive full UI benefits. Generally, only income from employment, pensions, or self-employment will cause states to reduce payment of UI to the individual.

10. Is this duplicative of the allowable activities under WIA?

No. The objective of the Personal Reemployment Account program is to identify those individuals who may need additional services and support to successfully find and retain work and give them access to a Personal Reemployment Account as an additional tool to be used toward that end.

This program allows eligible individuals direct access only to core services provided by the One-Stop Career Centers. However, if the individual determines the need for other One-Stop Career Center services such as intensive reemployment services (e.g., counseling, case management), training, or supportive services, he/she must purchase these services with account funds. Intensive reemployment, training, and supportive services may be purchased from other sources outside the One-Stop system, the One-Stop Career Center, or a combination of both.

This account gives the individual flexibility and personal control by allowing eligible individuals to access providers and services outside of what is currently available through WIA-funded channels.

11. Why are individuals allowed to go outside the public workforce investment system for training services?

One of the purposes of the accounts is to give unemployed workers maximum flexibility. In certain situations where the time necessary for obtaining employment is predicted to be substantial, a wider array of services may be appropriate. Individuals may choose to purchase the intensive reemployment, training, and supportive service offerings from the public system; use the funds available in their account for specialized services or needs unavailable or unaddressed through their particular One-Stop Career Center system or select a combination of services from both components.

12. Describe some of the intensive reemployment, training, and supportive services that can be purchased with the account funds.

The allowable services that can be funded by the account may include career counseling, occupational skills training, skills upgrading, child care, transportation, health-related assistance, and financial management counseling. In addition, for UI exhaustees only, an incremental payment process can be established whereby the funds can be used as ongoing income support at state option while the individual conducts a job search. The individual will be able to select from an extensive menu of allowable services and develop a service strategy that best meets the career goals identified in the individual's employment plan.

13. Will there be an emphasis on the quality of the jobs and retention attached to these accounts?

Yes. While individuals will make the choices involved with their account, they will work closely with professional career counselors available through the One-Stop Career Center system. Emphasis will be placed, where appropriate, on preparation for employment in high growth industries and occupations. In addition, the reemployment bonus, which provides an account cash-out, has a job retention component: individuals are paid in two installments, 60 percent at employment and 40 percent after six months of job retention.

14. Can a One-Stop Career Center turn down an individual's choice of an intensive reemployment training or supportive services provider or school?

Yes, in certain circumstances. The general intent of the Personal Reemployment Account is to give eligible account recipients broad choice and discretion based on the reemployment needs of the individual. Additionally, career counselors from the One-Stop Career Center will be available to provide guidance to individuals that need assistance while making such service and provider selections. However, if a representative from the One-Stop Career Center determines that the service (intensive reemployment, training, or supportive) or provider selected or purchased is wholly unreasonable or egregious, the selection or approval of the expenditure can be denied.

15. Has the Department of Labor made Personal Reemployment Accounts available to workers in the past? If yes, what were the results?

No. The Department has not made Personal Reemployment Accounts available to workers in the past. However, there were two Department of Labor studies of the Reemployment Bonus Experiments conducted in the states of Washington and Pennsylvania. Findings from the two studies showed that in today's dollars, a reemployment bonus of as little as \$250-\$750 motivated people to become reemployed and reduced the duration of UI by about a week.

16. What services are available to unemployed individuals who are not eligible for Personal Reemployment Accounts?

The Personal Reemployment Account program is a new and innovative initiative that is being utilized now in immediate response to the needs of unemployed job seekers so that more individuals can return to work more quickly. This new program will provide an extra \$3.6 billion in resources to those workers who are identified as having the most difficult reemployment prospects. This is in addition to the existing investment of \$3.5 billion appropriated through the workforce investment system to serve adults. As has always been the case with the public workforce investment system, any individual, whether a UI claimant or not, is encouraged to access One-Stop Career Center services in the community and to use the basic core services, such as job search, access to labor market information and career and financial aid counseling that will assist the person in becoming reemployed or in developing his/her career. In

addition, if the individual is determined to require more advanced assistance in order to obtain a job, intensive reemployment services, training, and supportive services may be accessed. Such services can include in-depth career counseling, out-of-area job search assistance, case management, occupational skills training, child care, and transportation. Also, beyond the realm of employment and training services, One-Stop Career Centers can provide individuals with access to an array of other community resources and services.

17. How are the Personal Reemployment Accounts going to be funded?

States will be given a national total of \$3.6 billion to provide Personal Reemployment Accounts. Each state receives an allocation based on total unemployment levels.

18. Does the Personal Reemployment Account Program replace the Temporary Extended Unemployment Compensation program (TEUC)?

No. On January 8, 2003, the President signed a bill to extend the TEUC program through May 2003. The Personal Reemployment Account program is proposed in addition to the extension of TEUC.

19. When will the Personal Reemployment Account program start and when will the funds be available?

It is anticipated that funds will be available and the program will start early in 2003.

20. Will funding be provided to pay for administrative costs incurred with the Reemployment Accounts program?

Yes. Funding for the states to administer the Personal Reemployment Account program will be provided.

21. How long will this program last?

The Personal Reemployment Account program will be authorized for two years.

22. Can an individual transfer a Personal Reemployment Account to a family member?

No. Personal Reemployment Accounts are nontransferable. If for some unforeseen circumstances an account is no longer active, funds will be recaptured by the state and used for additional Personal Reemployment Accounts.

23. Are Personal Reemployment Accounts taxable?

Costs for intensive reemployment, training, and supportive services are not. Proceeds from a reemployment bonus are considered income.

24. Will new legislation or regulations be needed?

New legislation is needed.

25. What efforts will be taken to ensure that there is effective monitoring and evaluation of these accounts?

There will be many safeguards in place to ensure that Personal Reemployment Accounts are effectively monitored and evaluated. (1) To determine whether an individual is an UI exhaustee, cross-matching with the UI claims database will take place. (2) To determine whether an exhaustee is unemployed, cross-matching with the state new hire database will also take place. (3) To ensure that an individual will not access One-Stop intensive reemployment, training, or supportive services for a year following the Personal Reemployment Account cash-out, Career Center case managers will, at intake, cross-match the individual's name with the Center's automated records of service. (4) Each recipient of a Personal Reemployment Account will sign a self-attestation that assures that the individual will not misuse the account funds, that the bills they submit for payments are for legitimate purposes according to the criteria of the Personal Reemployment Account, and that he/she agrees to reimburse all account funds determined to have been unallowable. In addition, One-Stop Career Center representatives can deny approval of payment if they determine that the service or provider selected or purchased is wholly unreasonable or egregious. This will be coupled with any other civil or criminal penalties deemed appropriate by the state. (5) In the case of UI benefit exhaustees, face-to-face interviews will be held with account recipients on a periodic basis to ensure that the individual is actively accessing the intensive reemployment, training, and supportive services necessary to become successfully employed and retained in a job and that the account funds are being used in accordance with the requirements of the program. (6) States will be required to conduct a yearly audit of the financial management of the Personal Reemployment Accounts program, at which time a statistically significant sample of individual reemployment accounts will be reviewed.

26. Can states use the money for anything other than Personal Reemployment Accounts?

No. If a state accepts the money, it must use it to establish Personal Reemployment Accounts.

Position Paper Regarding the President's 2004 Budget Proposals

We appreciate that President Bush's 2004 budget contains an overall increase in funding for workforce development. The President's proposed budget contains significant increases in funding for Pell Grants, Trade Adjustment Assistance, and Vocational Rehabilitation. The budget also contains line item funding for One-Stop Career Development Centers. These are all excellent programs worthy of increased investments. The President also proposes substantial funding for employment and training services through a new system of Personal Reemployment Accounts. (See position paper on Personal Reemployment Accounts.)

The President's budget, however, contains major reductions in funding for Vocational and Technical Education, the Workforce Investment Act (WIA), and the Employment Service. In addition, the budget documents contain proposed policy changes that would have serious negative consequences on the nation's ability to prepare a skilled workforce.

We are concerned that the President's budget would:

- ❖ Reduce funding for the Carl Perkins Vocational and Technical Education Act by 25 percent.
- ❖ Enable states to eliminate all federal funding for vocational and technical education by granting states the authority to divert the funds to support Title I academic programs.
- ❖ Terminate funding for the Employment Service.
- ❖ Eliminate funding for disadvantaged in-school youth served through the Workforce Investment Act Title I-B.
- ❖ Reduce funding for One-Stop Employment and Training Services by 14 percent.

As part of the President's proposals, separate funding for Wagner-Peyser (the Employment Service) would end, and Wagner-Peyser would be part of a block grant with WIA funds for adults and dislocated workers. Federal support for Wagner-Peyser through the FUTA employer tax would be terminated. We are opposed to ending Federal Unemployment Tax Act (FUTA) support for the Employment Service. In addition, if WIA funding for adults and dislocated workers are merged, there must be protections to ensure that both populations continue to be served. We are also concerned that block grant proposals have frequently ended up meaning budget reductions. We should be increasing, not decreasing, investments in workforce development.

Finally, it is important to note that recent legislation expanded the number of people eligible for the Trade Adjustment Assistance Act. While the President's proposal increases funding for this program, it will be important to ensure that the amount available per participant is maintained or expanded.

Overall, the President's budget for workforce development contains drastic proposals that would have far reaching consequences. We urge members of Congress to oppose the budget proposals bulleted above.

Administration's Proposed 2004 Budget

Congress approved the \$394.7 billion Fiscal Year (FY) 2003 spending package titled House Joint Resolution 2 (HJR-2) on February 13, 2003, which continues the largest appropriations ever at \$397.4 billion. The bill included a \$655 million cut to WIA funding, plus an additional, across-the-board reduction of 0.65 percent made to offset funding for new priorities. These cuts represent a 15 percent reduction in WIA Title I funds.

On February 3, 2003, the Administration released its proposed budget for FY 2004 with sweeping changes affecting workforce education and training. The following tables illustrate the affect of these changes on critical WIA State-Formula Grants and Wagner-Peyser, (Employment Service) funds, Federal WIA, Trade Act and other workforce investment funds, and Perkins (Vocation Education), and Adult Education and Literacy funds.

WIA State Grants for dislocated worker populations received over \$20 million increase in the FY 2003 funding package to offset the \$110 million rescission. The figures in the PY/FY 2002 column of Table 1 reflect the funding base after the rescission.

Federal Programs	PY/FY 2002 Final Enacted	PY/FY 2003 Final Enacted	\$ Change PY 2002 to Final 2003 Budget	% Change PY 2002 to Final 2003 Budget	Proposed PY/FY 2004 President's Budget	\$ Change FY 2003 to Proposed 2004 Budget	% Change FY 2003 to Proposed 2004 Budget
WIA State Formula Gran	3,207.2	3,038.3	-168.9	-5.3%	3,460.9	+422.6	+13.9%
Adult Training	950.0	894.2	-55.9	-5.9%	0	-894.2	-100%
Dislocated Worker	1,129.2	1,149.7	+20.5	+1.8%	0	-1,149.2	-100%
Consolidated Grant	0	0	0	0	2,710.2	+2,710.2	+100%
Year-Round Youth	1,128.0	994.5	-133.5	-11.8%	750.7	-243.8	-24.5%
Employment Service	847.4	841.9	-5.5	-0.7%	78.5	-763.4	-90.6%
Formula Grants to States	761.7	994.5		-0.7%	0	-757.6	-100%
Reemployment Grants to States	35.0			-0.7%	0	-34.8	-100%
<i>Comparison of totals from current separate funds to proposed consolidation</i>		3,880.2			3,539.4	-340.8	-8.8%

The Administration's proposed budget for FY 2004 block grants currently separate Wagner-Peyser Employment Service funds with WIA state formula funds for adults and dislocated workers into a Consolidated Grant. This consolidation terminates federal support for Wagner-Peyser from the FUTA employer tax. If the separate funds of WIA State Formula Grants and Employment Service funds at their current levels are totaled, and compared to Administration's proposed figures for FY 2004, workforce funds would be reduced by \$340.8 million, or 8.8 percent.

Table 2: Funding for Trade Adjustment Act, Other Workforce Funds, and WIA Federal Programs							
Federal Programs	PY/FY 2002 Final Enacted	PY/FY 2003 Final Enacted	\$ Change PY 2002 to Final 2003 Budget	% Change PY 2002 to Final 2003 Budget	Proposed PY/FY 2004 President's Budget	\$ Change FY 2003 to Proposed 2004 Budget	% Change FY 2003 to Proposed 2004 Budget
Trade Adjustment Aid Act	415.7	965.9	+550.2	+132.4%	2,338.2	+372.3	+38.5%
TAA Training and Benefits	349.5	965.5	+616.4	+176.4%	1,331.2	+365.3	+37.8%
NAFTA Training & Benefits	66.2	0	-66.2	-100%	7.0	+7.0	+100%
Other Workforce Investments	28,271.4	28,358.8	+87.4	+0.3%	30,445.0	+2,086.2	+7.4%
H-1B Competitive Grants	90.7	138.8	+48.1	+53.0%	0	-138.8	-100%
Pell Grants to Students	11,314.0	11,364.6	+50.6	+0.4%	+12,715.0	+1,350.4	+11.8%
WIA Federal Programs	2,333.1	2,145.0	-188.1	-8.1%	2,287.8	+142.8	+6.7%
National Reserve Grants	242.3	274.8	+32.5	+13.4%	369.6	+94.8	+34.5
Youth Opportunity Grants	225.1	44.8	-180.9	-80.4%	250.2	205.4	+458%

In the FY 2003 spending package, Congress substantially increased Trade Adjustment Aid Training and Benefits by \$550.2 million, which was rewritten last summer to expand eligibility for workers who lose their jobs due to foreign competition. While Congress has also increased H-1B Competitive Grants, the Administration's proposal for FY 2004 zeros out this federal resource, which is due to expire at the end of FY 2003.

Table 3: Perkins Technology Grants/Vocational Education, and Adult Education & Literacy							
Federal Programs	PY/FY 2002 Final Enacted	PY/FY 2003 Final Enacted	\$ Change PY 2002 to Final 2003 Budget	% Change PY 2002 to Final 2003 Budget	Proposed PY/FY 2004 President's Budget	\$ Change FY 2003 to Proposed 2004 Budget	% Change FY 2003 to Proposed 2004 Budget
Vocational Education	1,321	1,332.8	-11.8	-0.9%	1,000	-332.8	-24.9
Secondary & Technical State Grants	0	0	0	0	1,000	+1,000	+100%
Basic State Grants	1,180.0	1,192.2	+12.2	+1.0%	0	-1,192.2	-100%
Tech. Prep. Education	108.0	107.3	-0.7	-07.%	0	-107.3	-100%
National Occupation Info.	33.0	33.3	+0.3	+0.9%	0	-33.3	-100%
Adult Education & Literacy	613.1	610.2	-2.9	-0.5%	591.0	-19.2	-3.1%
State Programs	575.0	571.3	-3.7	-0.7%	584.3	+13	+2.3%
State Grants for Incarcerated Youth	22.0	23.3	+1.3	6.1%	0	-23.3	-100%
National and Other	16.1	15.6	-0.5	-3.1%	6.7	-8.9	-57.0%

Of other workforce resources, Pell Grants would receive a 10.6 percent increase in funding from the Administration; the President has proposed a maximum annual grant of \$4,000, which would result in one million more recipients of the Pell Grant during the 2004-05 school year. Of WIA federal programs, National Reserve Grants received a funding increase for Trade Adjustment Expansion. These funds would continue to see increases in the Administration's proposal. Youth Opportunity Grants received a sharp reduction in FY 2003 funding, but under the current FY 2004 proposal, these federal grants would receive an increase from the final PY/FY 2002 funding level. Like several WIA Federal Programs, the status of Youth Opportunity Grant funds will continue to be debated between Congress and the Administration.

While Congress increased Vocation Education funding by 11.8 million in the FY 2003 spending package, the Administration's proposal would cut \$332.8 million, or 33.3 percent funding for the Perkins Act. According to an overview prepared for the FY 2004 Budget Release from the U.S. Department of Education, Office of Vocational and Adult Education, this program would shift from providing "traditional vocational education to an entirely new focus" of supporting and extend achievement and accountability goals of Title I of the Elementary and Secondary Education Act.

States would use formula allocations to make competitive grants to local educational agencies and community and technical colleges to carry out state-level activities. States could opt to transfer funds to support education-related activities under the Title I Grants to Local Educational Agencies program. Key Perkins initiatives, including Tech Prep State Grants, Tech Prep Demonstration and National Programs, and the Perkins Occupational and Employment Information program would be eliminated.

TAB 6

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

TARGET POPULATIONS' WORKFORCE TRAINING RESULTS

This strategy was developed based on the recommendations of the target populations workgroup that advised the Board regarding "High Skills, High Wages" for 2002.

Strategy 3.3.3 of "High Skills, High Wages," indicates that the workforce development system will develop accountability and program improvement mechanisms for increasing employment and earnings for target populations. The Workforce Board is listed as the lead agency.

As the first step in carrying out this strategy, staff of the Board analyzed the outcomes of the major workforce development programs to determine how the results for target populations compare to the results for others. Target populations identified in the Board's statutes are women, people of color, and people with disabilities. The results are presented in this tab.

Board Action Required: None. For discussion only.

TARGET POPULATIONS' WORKFORCE TRAINING RESULTS

Introduction

This paper presents the results of workforce training for women, people of color, and people with disabilities compared to other populations. The results are for participants leaving programs during the 1999-2000 school year. Data is based on program administrative records for all participants and Employment Security Department records from Washington and other Northwest states. Employment and earnings are based on the third quarter after participants left their program. For some programs, there is also data from statewide survey questions regarding participant satisfaction.

Overall Results

While one must be careful to not overly generalize across workforce development programs, there are some patterns that are fairly consistent.

- ❖ Participation rates for target populations tended to be at least as high as their share of the state population, with the exception of low enrollment in apprenticeships by women.
- ❖ Program satisfaction levels tended to be about the same for target populations as for others.
- ❖ Among women, employment rates were generally about the same as for men, but wages and earnings are substantially lower.
- ❖ For people with a disability, employment rates, hourly wages, and earnings were usually lower than for program participants without a disability.
- ❖ Results for racial and ethnic groups differed from one program to another, although labor market results for Native Americans, African Americans, and Hispanics were more often than not lower than the results for whites.

The results show the importance of efforts to improve outcomes for target populations. In particular, efforts should improve to attract people from target populations into training programs for fields that pay a higher hourly wage and provide greater earnings. These are the populations that will be making up an increasing portion of the state's workforce. They should be prepared to fill the higher skilled jobs of the future.

Community and Technical College Job Preparatory Training

Women made up the majority of students in community and technical college job preparatory training programs. Their overall satisfaction with college training and their employment rate during the third quarter after leaving training were similar to the experiences of men. Earnings and hourly wages, however, were substantially lower for women. Previous research by the Workforce Board found the major factor explaining these differences is that women are more likely than men to enroll in fields that pay relatively low wages.

Figure 1

Measure ¹	Women	Men
Percentage of Participants	55%	45%
Median Annualized Earnings ²	\$20,917	\$29,266
Median Hourly Wages	\$12.03	\$15.07
Employment Reported to Employment Security ³	78%	79%
Overall Satisfaction with the Program	91%	89%

People with a disability made up 7 percent of job preparatory training students at the community and technical colleges. This is similar to the incidence in the adult population.⁴ Students with a disability were as satisfied overall with their training as were other students. They, however, had substantially lower employment, earnings, and hourly wage results.

Figure 2

Measure	People with a Disability	Other Program Participants
Percentage of Participants	7%	93%
Median Annualized Earnings	\$20,025	\$24,534
Median Hourly Wages	\$11.54	\$13.32
Employment Reported to Employment Security	63%	79%
Overall Satisfaction with the Program	90%	91%

¹ Data on completion rates was not available for this program year.

² Earnings and wage rates are expressed in first quarter 2001 dollars.

³ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

⁴ According to the 2000 State Population Survey, 6.7 percent of adults age 21 to 65 have difficulty working at a job or business because of a condition lasting six months or more.

People of color constituted 21 percent of students in job preparatory training at community and technical colleges. This was the same percentage as the state's population. The participation rate, however, was somewhat lower for Hispanics than their share of the state's population—5 percent compared to 7.5 percent. The satisfaction of students of color with college training was similar to that of whites. The employment rate for African Americans and Native Americans was lower than it was for whites. Their earnings and hourly wage results were also lower, as were those for Hispanic students.

Figure 3

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants	5%	8%	5%	2%	79%
Median Annualized Earnings	\$21,816	\$25,588	\$21,706	\$19,036	\$24,597
Median Hourly Wages	\$11.72	\$12.83	\$11.76	\$11.11	\$13.50
Employment Reported to Employment Security	77%	80%	73%	72%	79%
Overall Satisfaction with the Program	95%	91%	88%	97%	90%

Private Career Schools

A large majority of private career school students were women. Their program completion rate, satisfaction levels, and employment rate were similar to those of men. Earnings and the hourly wage rate for women, however, were substantially lower than for men.

Figure 4

Measure	Women	Men
Percentage of Participants	59%	41%
Program Completion Rate	73%	76%
Median Annualized Earnings ⁵	\$17,419	\$24,318
Median Hourly Wages	\$10.58	\$13.06
Employment Reported to Employment Security ⁶	68%	69%
Overall Satisfaction with the Program	78%	82%

People of color made up more of the students at private career schools than their incidence in the state population. This was especially true for African Americans (9 percent compared to 3 percent) and Asian/Pacific Islanders (9 percent compared to 6 percent). Hispanics made up somewhat less of the student population than of the state population (5 percent compared to 7.5 percent). The employment rate was substantially lower for Native Americans than for whites. Hourly wages were lower for each minority population than for whites, and earnings were lower, except the earnings of Asian/Pacific Islanders were higher than for whites.

Figure 5

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants ⁷	5%	9%	9%	2%	73%
Completion Rate	67%	71%	59%	68%	76%
Median Annualized Earnings	\$16,330	\$19,881	\$17,645	\$18,194	\$19,220
Median Hourly Wages	\$9.60	\$10.59	\$10.19	\$10.60	\$11.17
Employment Reported to Employment Security	68%	66%	67%	63%	70%

Data is not available on the disability status of most private career school students.

⁵ Earnings and wage rates are expressed in first quarter 2001 dollars.

⁶ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

⁷ Two percent were recorded as having a race of 'other.'

Apprenticeships

Women made up just 11 percent of apprentices. Their employment rate, hourly wages, and earnings were much lower than men's. Some of the difference in hourly wage rates was due to women completing programs at a lower rate than men. Also, fewer women than men had employment in construction trades prior to becoming an apprentice; this also helps explain their lower outcomes.

Figure 6

Measure	Women	Men
Percentage of Participants	11%	89%
Program Completion Rate	31%	35%
Median Annualized Earnings ⁸	\$20,868	\$33,980
Median Hourly Wages, Among All Former Apprentices	\$12.83	\$19.66
Median Hourly Wages, Among Those Completing Their Apprenticeship	\$25.33	\$27.38
Employment Reported to Employment Security ⁹	69%	76%

People of color made up 24 percent of the apprentices, more than their incidence in the state population. Participation was particularly high for African Americans (9 percent compared to 3 percent). People of color, however, had substantially lower completion rates than did whites. The completion rate for African Americans was only 15 percent compared to 38 percent for whites. The lower completion rates explain much, but not all, of the lower earnings and hourly wages of people of color compared to whites. Employment rates were also lower among people of color.

Figure 7

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants	9%	3%	9%	3%	76%
Completion Rate	27%	32%	15%	30%	38%
Median Annualized Earnings	\$29,408	\$27,837	\$18,225	\$26,027	\$35,034
Median Hourly Wages, Among All Former Apprentices	\$17.51	\$17.16	\$11.68	\$16.96	\$20.59
Median Hourly Wages, Among Those Completing Their Apprenticeship	\$25.42	\$21.01	\$23.72	\$27.27	\$27.76
Employment Reported to Employment Security	69%	71%	66%	67%	78%

Data is not available on the disability status of apprentices.

⁸ Earnings and wage rates are expressed in first quarter 2001 dollars.

⁹ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

Worker Retraining at Community and Technical Colleges

Women made up just about half of the participants in the Worker Retraining Program at the community and technical colleges. Their completion and employment rates were similar to those of men; their hourly wages and earnings, however, were substantially lower.

Figure 8

Measure	Women	Men
Percentage of Participants	47%	53%
Program Completion Rate	51%	50%
Median Annualized Earnings ¹⁰	\$20,460	\$26,583
Median Hourly Wages	\$11.63	\$14.21
Employment Reported to Employment Security ¹¹	74%	76%

People with a disability made up 10 percent of the participants, greater than their incidence in the adult population. Their program completion rate was substantially higher than that for other students. Their employment rate, hourly wage, and earnings level, however, were all lower than the results for workers without a disability.

Figure 9

Measure ¹²	People with a Disability	Other Program Participants
Percentage of Participants	10%	90%
Program Completion Rate	62%	49%
Median Annualized Earnings	\$20,491	\$23,809
Median Hourly Wages	\$11.66	\$13.07
Employment Reported to Employment Security	62%	76%

¹⁰ Earnings and wage rates are expressed in first quarter 2001 dollars.

¹¹ Note that ESD data underestimate the actual employment rate. Self-employment and employment /outside the Pacific Northwest are not captured.

¹² Worker Retraining participants were not surveyed. Estimates of overall satisfaction with the program are not available.

People of color made up 24 percent of the students in Worker Retraining, slightly above their incidence in the state population. Participation was especially high for African Americans (7 percent compared to 3 percent of the state population). The completion rate was much lower for Hispanic students than for whites (32 percent compared to 53 percent) and also lower for Asian/Pacific Islanders (43 percent). The employment rate was fairly consistent across populations. Hourly wages and earnings were lower for Hispanics and African Americans than for whites. Earnings were also low for Native Americans.

Figure 10

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants ¹³	8%	6%	7%	2%	76%
Completion Rate	32%	43%	52%	49%	53%
Median Annualized Earnings	\$19,267	\$27,389	\$21,662	\$21,441	\$24,197
Median Hourly Wages	\$10.64	\$13.07	\$12.21	\$13.25	\$13.31
Employment Reported to Employment Security	76%	74%	73%	72%	75%

¹³ One percent were recorded as having a race of 'other.'

Job Training Partnership Act Title III for Dislocated Workers

Women made up almost half of the JTPA Title III participants and were just as satisfied with their program as were men. Their employment rate was about the same as men's. Women's hourly wages and earnings, however, were substantially below those of men.

Figure 11

Measure	Women	Men
Percentage of Participants	47%	53%
Median Annualized Earnings ¹⁴	\$20,460	\$27,468
Median Hourly Wages	\$11.22	\$14.01
Employment Reported to Employment Security ¹⁵	74%	76%
Overall Satisfaction with the Program	88%	88%

Six percent of the participants were people with a disability, similar to the incidence in the state population. Their results, however, were significantly lower than the results for other participants for each type of outcome—program satisfaction, employment rate, hourly wages, and earnings.

Figure 12

Measure	People with a Disability	Other Program Participants
Percentage of Participants	6%	94%
Median Annualized Earnings	\$22,524	\$24,178
Median Hourly Wages	\$12.19	\$12.95
Employment Reported to Employment Security	68%	76%
Overall Satisfaction with the Program	80%	89%

Among people of color, Hispanics were somewhat under represented among program participants (5 percent compared to 7.5 percent of the state population). Satisfaction levels and employment rates did not vary substantially by population. Hourly wages were lower for Hispanics, Asian/Pacific Islanders, and Native Americans than for whites. Earnings were lower for Hispanics and Asian/Pacific Islanders than for whites.

Figure 13

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants	5%	6%	4%	3%	82%
Median Annualized Earnings	\$20,708	\$22,654	\$24,175	\$24,051	\$24,431
Median Hourly Wages	\$10.55	\$10.98	\$13.13	\$12.54	\$13.10
Employment Reported to Employment Security	74%	75%	77%	74%	75%
Overall Satisfaction with the Program	90%	92%	88%	94%	87%

¹⁴ Earnings and wage rates are expressed in first quarter 2001 dollars.

¹⁵ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

Adult Basic Skills Education

This analysis is limited to Adult Basic Skills Education students who enrolled for a work related reasons and who did not also take job skills training.

Women made up 54 percent of these Adult Basic Skills Education students. Their level of satisfaction with their program was as high as it was for men, despite having lower results for employment, wages, and earnings.

Figure 14

Measure	Women	Men
Percentage of Participants	54%	46%
Median Annualized Earnings ¹⁶	\$13,545	\$17,719
Median Hourly Wages	\$8.74	\$10.05
Employment Reported to Employment Security ¹⁷	57%	64%
Overall Satisfaction with the Program	94%	95%

People with a disability made up only 4 percent of the students, substantially less than their 6.7 percent of the state population. Their employment rate, hourly wages, and earnings were all substantially below the results for students without a disability.

Figure 15

Measure¹⁸	People with a Disability	Other Program Participants
Percentage of Participants	4%	96%
Median Annualized Earnings	\$10,901	\$15,573
Median Hourly Wages	\$8.53	\$9.30
Employment Reported to Employment Security	50%	61%

People of color made up slightly more than half of the students, largely due to classes in English as a Second Language. Employment rates, hourly wages, and earnings were comparable or even higher than for whites, except Native Americans had lower employment and earnings.

Figure 16

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants ¹⁹	27%	14%	6%	3%	47%
Median Annualized Earnings	\$16,803	\$20,077	\$14,727	\$11,818	\$13,321
Median Hourly Wages	\$9.34	\$10.31	\$8.99	\$8.84	\$8.95
Employment Reported to Employment Security	60%	65%	64%	51%	59%

¹⁶ Earnings and wage rates are expressed in first quarter 2001 dollars.

¹⁷ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

¹⁸ The sample size of the participant survey did not permit us to estimate program satisfaction by disability status or race.

¹⁹ Three percent had a reported race of 'other.'

Job Training Partnership Act Title II-A for Adults

Women were the large majority of participants in JTPA II-A for disadvantaged adults (62 percent). Their satisfaction and employment levels were similar to those for men. Their hourly wages and earnings, however, were substantially below those of men.

Figure 17

Measure	Women	Men
Percentage of Participants	62%	38%
Median Annualized Earnings ²⁰	\$14,801	\$16,838
Median Hourly Wages	\$9.19	\$10.88
Employment Reported to Employment Security ²¹	68%	65%
Overall Satisfaction with the Program	88%	85%

People with a disability made up 19 percent of the participants, far greater than their incidence in the state population. By each measure—program satisfaction, employment, wages, and earnings—their results were substantially lower than the results for participants who did not have a disability.

Figure 18

Measure	People with a Disability	Other Program Participants
Percentage of Participants	19%	81%
Median Annualized Earnings	\$13,644	\$15,675
Median Hourly Wages	\$8.96	\$9.89
Employment Reported to Employment Security	59%	69%
Overall Satisfaction with the Program	78%	91%

People of color were a much higher percentage of the participants than their incidence in the state population, with the exception of Asian/Pacific Islanders. They were as satisfied with the program as were whites. Their employment rates were similar, except lower among Native Americans. Wages and Earnings were similar or higher, except Native Americans and Hispanics had lower wages and earnings than did whites.

Figure 19

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants	13%	5%	9%	4%	68%
Median Annualized Earnings	\$14,197	\$18,374	\$15,073	\$13,542	\$15,634
Median Hourly Wages	\$8.88	\$9.83	\$9.88	\$9.36	\$9.81
Employment Reported to Employment Security	64%	68%	68%	59%	68%
Overall Satisfaction with the Program	93%	90%	91%	86%	86%

²⁰ Earnings and wage rates are expressed in first quarter 2001 dollars.

²¹ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

**Division of Vocational Rehabilitation at the
Department of Social and Health Services**

Women were 45 percent of the participants in vocational rehabilitation. Their completion rate and employment rate were just slightly below those of men. Women's hourly wages and especially their earnings were lower than men's.

Figure 20

Measure	Women	Men
Percentage of Participants	45%	55%
Program Completion Rate ²²	66%	70%
Median Annualized Earnings ²³	\$12,023	\$13,994
Median Hourly Wages	\$8.95	\$9.45
Employment Reported to Employment Security during the 3 rd Quarter After Exit ²⁴	55%	59%

Overall, participation rates for people of color were the same as the state's population; but were higher for African Americans and lower for Asian/Pacific Islanders. Program completion rates were similar, except lower for Native Americans than for whites. Hourly wages were generally in the same range, except higher for Native Americans. Hispanics had lower earnings, while Asian/Pacific Islanders had higher earnings than did whites.

Figure 21

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants ²⁵	7%	3%	6%	4%	78%
Completion Rate	68%	70%	67%	61%	68%
Median Annualized Earnings	\$11,885	\$16,647	\$12,420	\$14,705	\$12,886
Median Hourly Wages	\$8.95	\$8.94	\$9.21	\$10.12	\$9.17
Employment Reported to Employment Security	59%	60%	57%	55%	57%

All program participants were people with a disability.

²² Reported figures are the percentages of participants who had an exit status of 'rehabilitated' (i.e., were working for at least 90 days at exit).

²³ Earnings and wage rates are expressed in first quarter 2001 dollars.

²⁴ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

²⁵ Two percent had a reported race of 'other.'

Secondary Career and Technical Education

Females made up about half (48 percent) of the secondary career and technical education students.²⁶ They were just as satisfied with their program as were male students. Females were more likely than males to be employed or to be in higher education after program completion. Wages and earnings, however, were lower for females than for males.

Figure 22

Measure	Females	Males
Percentage of Participants	48%	52%
Median Annualized Earnings ²⁷	\$9,501	\$10,956
Median Hourly Wages	\$8.03	\$8.61
Employment Reported to Employment Security ²⁸	62%	55%
Percentage Enrolled in Higher Education	47%	40%
Percentage Employed or Enrolled in School	78%	72%
Overall Satisfaction with the Program	96%	95%

Students with a disability made up 6 percent of the students, about the same as their incidence in the state's youth population. Their results were very similar to the results for other students, with one exception. The percentage of students with a disability that continued into higher education was much lower than that for other students (20 percent compare to 45 percent).

Figure 23

Measure	People with a Disability	Other Program Participants
Percentage of Participants	6%	94%
Median Annualized Earnings	\$10,550	\$10,223
Median Hourly Wages	\$8.03	\$8.34
Employment Reported to Employment Security	56%	58%
Percentage Enrolled in Higher Education	20%	45%
Percentage Employed or Enrolled in School	64%	76%
Overall Satisfaction with the Program	96%	95%

²⁶ This analysis is limited to students that completed a vocational sequence.

²⁷ Earnings and wage rates are expressed in first quarter 2001 dollars. Earnings are for those not enrolled in higher education during the 3rd quarter after leaving high school.

²⁸ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

The percentage of students of color among completers of career and technical education was somewhat less than their incidence of the state youth population (22 percent compared to 27 percent). Hispanics were under-represented. Satisfaction was high among all groups. Employment rates and hourly wages were fairly consistent across populations. There was, however, great variance in attending higher education. Native Americans were much less likely to attend higher education while Asian/Pacific Islanders were much more likely than white students to continue their education after high school. Earnings levels were lower among Native Americans, African Americans, and Asian/Pacific Islanders than for whites, but Hispanics had higher earnings.

Figure 24

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants	6%	9%	5%	2%	78%
Median Annualized Earnings	\$11,839	\$9,114	\$8,544	\$9,244	\$10,378
Median Hourly Wages	\$8.13	\$8.64	\$8.15	\$8.13	\$8.28
Employment Reported to Employment Security	61%	56%	54%	54%	58%
Percentage Enrolled in Higher Education	36%	62%	39%	29%	43%
Percentage Employed or Enrolled in School	73%	82%	68%	65%	75%
Overall Satisfaction with the Program	97%	97%	97%	na ²⁹	95%

²⁹ The number of survey responses for this group was too small.

Job Training Partnership Act Title II-C for Youth

Females were 57 percent of the participants in JTPA II-C for disadvantaged youth. The results for females were similar to those for males, much more so than for any other program analyzed.

Figure 25

Measure	Females	Males
Percentage of Participants	57%	43%
Median Annualized Earnings ³⁰	\$7,026	\$7,755
Median Hourly Wages	\$7.60	\$7.80
Employment Reported to Employment Security ³¹	56%	54%
Overall Satisfaction with the Program	96%	93%

People with a disability were 16 percent of program participants, far greater than their incidence in the state youth population. They had a lower employment rate and earnings level, although almost the same hourly wage as did participants without a disability.

Figure 26

Measure ³²	People with a Disability	Other Program Participants
Percentage of Participants	16%	84%
Median Annualized Earnings	\$6,142	\$7,581
Median Hourly Wages	\$7.51	\$7.70
Employment Reported to Employment Security	45%	57%

Participation rates by people of color, except Asian/Pacific Islanders, were far higher than their incidence in the state youth population. Employment rates were consistent across populations except lower for Native Americans. Hourly wage rates were similar across populations. Earnings were lower for African Americans and Asian/Pacific Islanders, but higher for Native Americans and Hispanics, than for whites.

Figure 27

Measure	Hispanics	Asian/Pacific Islanders	African Americans	Native Americans	Whites
Percentage of Participants	20%	5%	12%	8%	55%
Median Annualized Earnings	\$8,098	\$6,800	\$6,617	\$9,637	\$7,447
Median Hourly Wages	\$7.57	\$7.59	\$7.86	\$7.72	\$7.61
Employment Reported to Employment Security	54%	58%	56%	46%	56%
Overall Satisfaction with the Program	99%	na	na ³³	na	94%

³⁰ Earnings and wage rates are expressed in first quarter 2001 dollars.

³¹ Note that ESD data underestimate the actual employment rate. Self-employment and employment outside the Pacific Northwest are not captured.

³² Overall satisfaction, based on survey results, is not reported because there are too few responses from those with a disability.

³³ The sample size of the participant survey did not support a separate estimate of satisfaction for this group.

TAB 7

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

WORKSOURCE PERFORMANCE INDICATORS: FIRST ANNUAL REPORT

In November and December of 2000, the Workforce Board and the Executive Policy Council for WorkSource, respectively, adopted the policy for measuring WorkSource outcomes. The policy identified that the Workforce Board would measure the results of WorkSource and the measures to be used. Included in the tab is the first report of results for WorkSource.

The results are for participants that exited WorkSource between July 2000 and June 2001, with the exception of results based on survey data. The survey data are for WorkSource participants who exited from July 2002 through November 2002. The survey of WorkSource staff took place during March 2003.

Included in the data are participants in the Employment Service, Workforce Investment Act Title I-B, the federal Welfare-to-Work program, and the state's WorkFirst program's employment related services. The largest number of participants, by far, were from the Employment Service.

Board Action Required: None. For information only.

WORKSOURCE PERFORMANCE INDICATORS: FIRST ANNUAL REPORT

Background

The Workforce Board and the Executive Policy Council adopted an accountability plan for WorkSource. The plan includes WorkSource performance indicators that should inform policymakers on the progress in achieving desired outcomes. This document presents preliminary estimates for many of these indicators. Unless otherwise noted, estimates are for the first year of WorkSource (July 2000 through June 2001).

WorkSource participants include individuals and employers who receive services through a WorkSource Center or an affiliate site providing services funded under Workforce Investment Act (WIA) Title I, WIA Title III (Wagner-Peyser), the federal Welfare-to-Work program, or the state's WorkFirst program's employment-related services.

The Data

Most indicators were estimated using data from administrative records and surveys. The administrative data included records on WIA Title I-B participants and Labor Exchange registrants. The WIA participants include disadvantaged adults, dislocated workers, and disadvantaged youth who exited programs from July 2000 through June 2001. The Labor Exchange participants include individuals who registered from July 2000 through June 2001, received services during this period, and had no recorded service (for at least 6 months) after June 2001.¹

Survey data are taken from WIA satisfaction surveys and a survey of Labor Exchange registrants. The required survey data are not available for the first year of WorkSource. The survey data are only available for more recent program exiters (July to November 2002).

These data support preliminary estimates for the performance indicators, however, caution should be exercised in considering the preliminary estimates as performance baselines. The data reporting systems for both WIA and Labor Exchange have changed since the first year of WorkSource. The data used for this report were taken from DataFlex and JobNet; future data will be provided by SKIES. The data collected and practices regarding program registration have changed. Also note that several of the performance measures are modeled on federal core indicators. The adoption of common indicators for federal programs will change the federal core indicators. We expect that data from PY2002 (July 2002 through June 2003) would be able to support baseline estimates.

¹ Labor Exchange does not record exits, which are needed to measure the State and Federal WIA indicators. So, the last date of service for a registrant was used as the exit date. If the last date of service was after June 2001 the participant is regarded as still active (not an exiter) and is not in these measures. Labor exchange data were taken from JobNet files; SKIES was not yet in operation for this period.

Types of Outcomes Measured

The performance indicators measure four types of outcomes—competencies, employment, earnings, and customer satisfaction. Who is included in the measures for particular outcomes depends upon the services received, as shown in the following table.

Type of Outcome	WorkSource participants count who receive the below service(s)
Competencies	Training
Employment	Staff assisted core services, intensive services, and training services
Earnings	Intensive services, training services
Customer Satisfaction: Participants	Staff assisted core services, intensive services, and training services
Customer Satisfaction: Employers	Employers with filled job orders, customized training, on-the-job training, and rapid response

Most Labor Exchange registrants do not receive intensive or training services.² Thus, we have used data for only WIA participants to estimate outcomes for competencies and earnings. Both Labor Exchange registrants and WIA participants were used to estimate outcomes for employment and participant satisfaction.

The WorkSource Performance Indicators

(1) Percentage of employers using WorkSource services

Estimate: 7 percent

Description: The denominator is the total number of employers (225,268) as measured by the Employment Security Department, and the numerator (16,020) is the number of employers who used staff-assisted Labor Exchange services.

Period: July 2000 to June 2001.

² In fact, some Labor Exchange services are intensive (Veterans Services, Migrant and Seasonal Farm Worker Services, and Food Stamp Employment programs). The preliminary estimates presented here do not take this into account. In the future, SKIES will allow us to better classify services.

(2) Percentage of total workers using WorkSource services

Estimate: 10 percent

Description: The denominator is the number of individuals in the civilian labor force (3,045,200). The numerator is the number of staff-assisted participants (308,732) in WIA and Labor Exchange.

Period: July 2000 to June 2001.

(3) Customer perception of seamlessness

Estimate: 78.1 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B	1,444	79.1%
Labor Exchange	145,122	78.1%
All Combined	146,566	78.1%

Description: This measure is based on responses to a state administered survey of WIA Title I-B participants and Labor Exchange registrants. The estimate is the percentage of respondents who said the State did an excellent or good job in making the program easy to use.³ Responses were weighted to reflect the actual number of WIA Title I-B exiters and Labor Exchange participants across programs and regions of the state.

Period: Survey of participants who exited from July 2002 through November 2002.

³ The survey question read as follows: "Washington State is working on providing easier to use services. That means trying to make sure that people don't have to repeat what they need or supply personal information too many times. In your experience with this program would you say that they did an excellent, good, fair or poor job in making the program easy to use in these ways?"

(4) Staff perception of integration

Estimate: 2.85 on a scale of 1 to 4

Description: The measure is based on 239 responses to a survey of WorkSource Center staff. The survey was sent to the administrators of 26 WorkSource Centers throughout the state. The administrators forwarded the survey to their staff; who sent their responses directly to the Workforce Board.

The survey instrument contains four questions, which have responses on a scale of 1 to 4. The estimate is the overall mean of the responses to the four questions. (Please see the appendix for a copy of the survey instrument and for written comments received from WorkSource Center staff.)

Period: Survey administered during March 2003.

Summary of Responses: WorkSource staff were asked to review the list of characteristics below and indicate the extent to which each characteristic currently exists at their WorkSource Center, where 1 is "Not At All" and 4 is "Completely."

Characteristic	Extent to which characteristic currently exists				
	Not at All			Completely	Don't Know
	1	2	3	4	9
1. WorkSource staff are knowledgeable regarding the programs and services of other partners. (Mean=3.00)	3	38	152	45	1
	1%	15%	64%	19%	1%
2. Customer data (e.g., intake information) are shared efficiently among partner programs. (Mean=2.85)	8	50	98	69	14
	3%	21%	41%	29%	6%
3. Local programs and services are coordinated to avoid duplication of partner effort. (Mean=2.76)	5	48	119	50	17
	2%	20%	49%	22%	7%
4. Customers encounter no obstacles caused by services being provided by different programs and funding sources. (Mean=2.78)	8	63	104	34	30
	3%	26%	44%	14%	13%

(5) Number of students who are WorkSource participants

Estimate: 30,000 (7,300 WIA and 22,700 Labor Exchange)

Description: The measure is the number (an unduplicated count) of community and technical college students who are WorkSource participants.⁴

Period: July 2000 to June 2001.

(6) Credential Rate

Estimate: 74.5 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	808	76.0%
WIA Title I-B Dislocated Workers	2,958	74.4%
WIA Title I-B Youth	159	71.7%
All Combined (Unduplicated)	3,899	74.5%

Description: The State Credential Rate measure is the percentage of participants who obtained an appropriate credential.

Population: WIA Title I-B participants who received training services.

Period: July 2000 through June 2001.

(7) Employment and credential attainment

Estimate: 60.0 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	808	60.4%
WIA Title I-B Dislocated Workers	2,958	59.7%
WIA Title I-B Older Youth	62	71.0%
All Combined (Unduplicated)	3,803	60.0%

Description: The measure is the percentage of participants who became employed and completed training, among those who received training services. The estimate follows the methodology specified for the Federal Employment and Credential performance measure for WIA Title I-B.

Population: WIA Title I-B participants who received training services.

Period: July 2000 through June 2001.

⁴ The estimate includes a count of WorkSource participants enrolled in all community and technical college programs; not just the workforce programs.

(8) Employment or further education

Estimate: 65.8 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	1,068	67.9%
WIA Title I-B Dislocated Workers	3,158	78.0%
WIA Title I-B Youth	1,686	81.7%
Labor Exchange	186,542	65.5%
All Combined (Unduplicated)	191,866	65.8%

Description: The state employment measure for adults and dislocated workers is calculated for participants who are not in further education or training in the third quarter after exit. All youth are included in the measure, which counts as positive employment, further education or training, or enrollment in secondary education.⁵

Population: WIA Title I-B participants and Labor Exchange registrants (Washington Residents) who received core, intensive, and/or training services.

Period: July 2000 through June 2001.

(9) Entered employment rate

Estimate: 64.4 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	946	74.1%
WIA Title I-B Dislocated Workers	3,539	79.5%
WIA Title I-B Older Youth	195	70.8%
Labor Exchange	199,966	64.1%
All Combined (Unduplicated)	204,109	64.4%

Description: The measure is the percentage of participants not employed at program registration who were employed during the first quarter after exiting the program. The estimate follows the methodology specified for the Federal Entered Employment Rate performance measure for WIA Title I-B.⁶

Population: WIA Title I-B participants and Labor Exchange registrants (Washington Residents) who received core, intensive, and/or training services.

Period: July 2000 through June 2001.

⁵ Results were 65.5 percent for WorkSource as a whole regardless of whether youth under the age of 19 were included or excluded.

⁶ Labor Exchange populations are defined using the same definitions that would be applied to WIA populations. That means that outcomes are defined differently depending on whether the Labor Exchange participant is an Adult, Dislocated Worker, Older Youth, or Younger Youth.

(10) Retention in employment

Estimate: 81.4 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	902	80.2%
WIA Title I-B Dislocated Workers	2,815	90.7%
WIA Title I-B Older Youth	168	76.8%
WIA Title I-B Younger Youth	556	40.8%
Labor Exchange	134,029	81.4%
All Combined (Unduplicated)	138,019	81.4%

Description: For most populations the measure is the percentage of participants who entered employment during the first quarter after exiting the program and who were employed during the third post-program quarter. For younger youth the measure is the percentage employed or enrolled in further education or training during the third post-program quarter. The estimate follows the methodology specified for the Federal Employment Retention performance measure for WIA Title I-B.⁷

Population: WIA Title I-B participants and Labor Exchange registrants (Washington Residents) who received core, intensive, and/or training services.

Period: July 2000 through June 2001.

(11) Earnings

Estimate: \$20,824

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	667	\$15,399
WIA Title I-B Dislocated Workers	2,317	\$25,094
WIA Title I-B Youth	421	\$6,111
All Combined (Unduplicated)	3,387	\$20,824

Description: The state earnings measure is the median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.)

Population: WIA Title I-B participants who received intensive and/or training services.

Period: July 2000 through June 2001.

⁷ Wherever possible, Labor Exchange populations are defined using the same definitions that would be applied to WIA populations. The Federal Retention measure for Younger Youth is based on knowledge of whether a youth has returned to secondary education at exit. This information is not available in Jobnet. Instead, we have retained all those who were out of school at registration. Had younger youth been excluded from the Labor Exchange population, the Labor Exchange results would have been 83.7 percent on 120,871 participants. The combined, unduplicated total for WIA and Labor Exchange would have been 83.6 percent on 127,092 participants.

(12) Earnings gain

Estimate: \$3,738 (Adults & Older Youth), 85.7% (Dislocated Workers)

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B Adults	850	\$3,822
WIA Title I-B Older Youth	113	\$3,096
Combined (Unduplicated)	958	\$3,738
WIA Title I-B Dislocated Workers	2,709	85.7%

Description: The measure is the difference between earnings in the second and third quarters after exit and pre-registration earnings (based on average earnings in the four quarters before registration for adults, and the second and the quarters before job dislocation for dislocated workers). The estimate follows the methodology specified for the Federal Earnings Gain performance measures for WIA Title I-B.

Population: WIA Title I-B participants who received intensive and/or training services.

Period: July 2000 through June 2001.

(13) Employer satisfaction

Estimate: 67.0 on a scale of 0 to 100

Description: The measure is based on responses to the three Federal questions that gauge satisfaction with employer services.⁸ The responses to these questions are converted to a satisfaction index with scores ranging from 0 to 100. Responses are weighted by region to reflect the number of employers receiving services statewide.

Population: Employers receiving employer services; primarily job orders, job referrals, and warrant notices.

Period: Survey of employers who received services between July 2002 and November 2002.

⁸ These questions are: (1) Utilizing a scale of 1 to 10, where 1 means 'very dissatisfied' and 10 means 'very satisfied,' what is your overall satisfaction with the services provided from a Washington State WorkSource Office or Workforce Development Program? (2) Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? 1 now means 'falls short of my expectations' and 10 means 'exceeds my expectations.' (3) Now think of the ideal service or services for a company in your circumstances. How well do you think the service or services you received compare with the ideal service or services? 1 now means 'not very close to the ideal' and 10 means 'very close to the ideal.'

(14) State measure of participant satisfaction

Estimate: 86.3 percent

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B	1,444	89.4%
Labor Exchange	145,122	86.3%
Combined	146,566	86.3%

Description: The measure is based on survey responses from WIA Title I-B participants and Labor Exchange registrants. The estimate is the average of the percentage of respondents who reported overall satisfaction with program services and the percentage who said that program services met their objectives. Responses are weighted to reflect the actual number of WIA Title I-B exiters and Labor Exchange participants across programs and regions of the state.

Period: Survey of participants who exited from July 2002 through November 2002.

(15) Federal measure of participant satisfaction

Estimate: 69.5 on a scale of 0 to 100

<u>Group</u>	<u>Number</u>	<u>Outcome</u>
WIA Title I-B	1,444	74.6
Labor Exchange	145,122	69.4
Combined	146,566	69.5

Description: The measure is based on surveys of former WIA Title I-B participants and Labor Exchange registrants. The estimate uses responses to the three Federal questions that gauge participant satisfaction with services.⁹ The responses to these questions are converted to a satisfaction index with scores ranging from 0 to 100. Responses are weighted to reflect the actual number of WIA Title I-B exiters and Labor Exchange participants across programs and regions of the state.

Period: Survey of participants who exited between July 2002 and November 2002.

⁹ These questions are: (1) Utilizing a scale of 1 to 10, where 1 means 'very dissatisfied' and 10 means 'very satisfied,' what is your overall satisfaction with the services provided? (2) Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? 1 now means 'falls short of my expectations' and 10 means 'exceeds my expectations.' (3) Now I want you to think of the ideal program for people in your circumstances. How well do you think the services you received compare with the ideal set of services? 1 now means 'not very close to the ideal' and 10 means 'very close to the ideal.'

Appendix 1: WorkSource Center Staff Survey Instrument

We would like your assessment of the progress that has been made towards building an integrated and efficient workforce development system at your WorkSource Center. In a system that is well integrated, for example, employers and job seekers encounter no obstacles arising from services being provided by different programs and funding sources.

The workforce development system includes partner programs that provide:

- job training
- employment services
- work-related support services
- adult education and literacy
- vocational rehabilitation
- secondary vocational education
- postsecondary vocational education

Please review the list of characteristics below and indicate the extent to which each characteristic currently exists at your WorkSource Center, where 1 is “Not At All” and 4 is “Completely.” Your answers will be kept confidential.

Characteristic	Extent to which characteristic currently exists				
	Not at All			Completely	Don't Know
	1	2	3	4	9
1. WorkSource staff are knowledgeable regarding the programs and services of other partners.					
2. Customer data (e.g., intake information) are shared efficiently among partner programs.					
3. Local programs and services are coordinated to avoid duplication of partner effort.					
4. Customers encounter no obstacles caused by services being provided by different programs and funding sources.					

Please Email or mail your completed survey to Barbara Mix (bmix@wtb.wa.gov) at the Workforce Training and Education Coordinating Board by March 11th. Thank you.

Barbara Mix
WTECB
128 10th Avenue SW
P.O. Box 43105
Olympia, Washington 98504-3105

Appendix 2: Comments From WorkSource Center Staff Survey

WorkSource Center staff sent the following written comments along with their response to the four survey questions.

Although Labor Exchange, Job Training, and WorkFirst do a pretty good job of sharing information and integrating services in our office, we still have a long way to go with our other partners. Very few of them are co-located with us and we are a long way from delivering “seamless service.”

After being at training which included other WorkSource Centers, I can see that the degree to which each WorkSource Center has an integrated and efficient workforce development system varies greatly. Just because it isn’t working at some WorkSource Centers, doesn’t mean it isn’t working across the board (or that the average of all is a true picture). It is working great at [name deleted], and the only reason some questions didn’t get a rating of 4 is because there is always room for improvement (and we continue to work on it). But it is working great, and the partners are great!

A WorkSource Center is extremely valuable in a rural area because there are not other options available, such as Private Employment Offices, and Temp. Agencies.

While I think we do a good job at integrating services within the WorkSource system, I feel the level in which each staff member and each agency within the partnership differs enough to merit not marking completely in each category. There is still a great deal of “turf” attached to WorkSource staff that limits sharing and coordination of services. This “turf” issue has also resulted in a number of instances of duplication of services when partners couldn’t give up something they were doing that was actually more suited to another partner’s services (i.e., partners providing training better provided by the college).

I find the partners are inadequately trained by their managers when they come to the WorkSource. New hires are placed here with little or no training. Problems arise when different partners provide different levels of service to clients. There need to be clearer definitions of services provided in re-training programs. Example: one partner buys software for clients; others do not.

Customers have two or more case managers at once. After initial orientation and many employee changes, we have had very little updated or other orientations for new and current employees. Data share agreement DOES NOT WORK! Opt out at UI. Not given good guidance or opt-out agreement at classes. Must be registered (per ???).

There is a lot of misinformation (question #1). I also think that customers aren’t using DSHS and college staff to their full potential; they only know them as “workshop facilitators” or computer lab staff. There is a lot of confusion between WIA and CAT/TB since both are accessed at this location (question #4).

TAB 8

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**PERFORMANCE TARGETS FOR YEARS 4 AND 5
OF THE WORKFORCE INVESTMENT ACT TITLE I-B**

On March 5, 2003, staff of the Workforce Board received word that the Department of Labor (DOL) had finalized guidance on setting performance targets for Years 4 and 5 of the Workforce Investment Act (WIA) Title I-B. The guidance requires that states reach agreement with DOL by June 30th. The guidance recommends that states submit their proposed targets to their regional office by no later than April 11th.

Year 4 of WIA begins on July 1, 2003. DOL expects that Year 4 will be the last year for which the targets for the current 17 core indicators apply. DOL expects after that to use the new eight common measures issued by the Office of Management and Budget, however, DOL believes that current statutes require the establishment of Year 5 targets using the 17 core indicators.

The guidance issued by DOL establishes certain factors to be taken into account in setting the performance targets. We are to consider our state's performance in Year 1 (PY00) and Year 2 (PY01), our most recent Quarterly Report to DOL (delivered in February 2003), our Year 3 targets (as negotiated back in 2000) and federal Government Performance and Results Act targets for Year 4. Included in this tab is an attachment that contains all these figures as well as performance results from other states.

Based on these factors, Workforce Board staff proposed targets and shared them with staff of the local Workforce Development Councils (WDCs) and the Employment Security Department. The Performance Accountability Committee of the WDCs has endorsed the proposed targets.

Once adopted by the Workforce Board, the performance targets will be submitted to DOL for their approval. This is considered a negotiating process and DOL may require changes in the targets before they agree to them.

Board Action Requested: Adoption of the recommended motion.

RECOMMENDED MOTION

WHEREAS, The Department of Labor is requiring states to submit proposed performance targets for years four and five of the Workforce Investment Act; and

WHEREAS, The Governor has designated the responsibility for developing performance targets to the Workforce Training and Education Coordinating Board; and

WHEREAS, Board staff developed recommended targets following the guidelines established by the Department of Labor and considering input from staff of the local workforce development councils and the Employment Security Department.

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board approve submitting to the Department of Labor the attached proposed performance targets for years four and five of the Workforce Investment Act Title I-B.

**PROPOSED PERFORMANCE TARGETS FOR YEARS 4 AND 5
OF THE WORKFORCE INVESTMENT ACT TITLE I-B**

Performance Measure	New Targets:	
	Proposed PY03 (Year 4)	Proposed PY04 (Year 5)
Adult Measures		
Entered Employment	75.0%	75.5%
Retention	80.0%	81.0%
Earnings Gain	\$3,600	\$3,750
Employment and Credential	68.0%	69.0%
Dislocated Worker Minimums		
Entered Employment	78.5%	79.0%
Retention	90.5%	91.0%
Earnings Gain	86.0%	86.0%
Employment and Credential	70.0%	71.0%
Older Youth Measures		
Entered Employment	70.0%	70.5%
Retention	77.0%	78.0%
Earnings Gain	\$2,850	\$2,900
Employment and Credential	45.0%	46.0%
Young Youth Measures		
Skill Gains	73.0%	75.0%
High School Diploma Rate	52.0%	53.0%
Retention	58.5%	59.0%
Customer Satisfaction		
Employers	67.0	68.0
Participants	75.0	75.0

Factors Considered in Setting Proposed Performance Targets **Benchmarks and Proposals for WIA Performance Targets, Years 4 and 5**

	Annual Reports						New Targets:		Rationale for Proposed Target (Column Referenced in Parentheses)	National Average Performance PY01 (Year 2)	Western States Performance PY01 (Year 2)	Proposed PY03 Target as a Percent of		
	(A) PY00 (Year 1)	(B) PY01 (Year 2)	(C) Qty Rpt (Years 2&3)	(D) Adjusted PY01 (Year 2)	(E) Negotiated PY02 (Year 3)	(F) GPRA PY03 (Year 4)	PY03 (Year 4)	PY04 (Year 5)				(Year 4) Target as a Percent of WA PY01 (Year 2)	PY03 GPRA (F) (Year 4)	Western States (PY01) (Year 2)
Adult Measures														
Entered Employment	72.1%	74.8%	76.2%	73.0%	75.0%	71.0%	75.0%	75.5%	PY01(B)	76.0%	76.2%	100%	106%	98%
Retention	81.7%	79.4%	80.7%	83.0%	84.0%	82.0%	80.0%	81.0%	PY01(B)	81.6%	82.2%	101%	98%	97%
Earnings Gain	\$4,156	\$3,752	\$3,404	\$3,440	\$4,638	\$3,475	\$3,600	\$3,750	PY01 & Qty (B&C)	\$3,229	\$3,458	96%	104%	104%
Employment and Credential	66.3%	66.0%	69.1%	68.0%	71.0%	N.A.	68.0%	69.0%	PY01 & Qty (B&C)	59.3%	61.1%	103%	103%	111%
										Average Adult Targets:		100%	102%	103%
Dislocated Worker Measures														
Entered Employment	78.1%	81.8%	78.5%	76.0%	80.0%	78.0%	78.5%	79.0%	Qty & GPRA (C&F)	81.6%	82.2%	96%	101%	95%
Retention	90.1%	90.6%	87.4%	91.0%	92.0%	88.0%	90.5%	91.0%	Qty & GPRA (C&F) Qty & PY01 Adjusted Targets (C&D)	86.4%	88.1%	100%	103%	103%
Earnings Gain	91.2%	88.2%	83.0%	86.0%	93.0%	98.0%	86.0%	86.0%	PY01 & Qty (B&C)	101.1%	99.1%	98%	88%	87%
Employment and Credential	71.5%	71.9%	65.3%	69.0%	72.0%	N.A.	70.0%	71.0%		62.3%	61.8%	97%	113%	113%
										Average Dislocated Worker Targets:		98%	97%	100%
Older Youth Measures														
Entered Employment	67.9%	69.2%	57.9%	70.0%	72.0%	65.0%	70.0%	70.5%	PY01(B)	70.6%	70.2%	101%	108%	100%
Retention	78.0%	76.6%	77.8%	74.0%	79.0%	78.0%	77.0%	78.0%	PY01(B)	75.6%	75.8%	101%	99%	102%
Earnings Gain	\$3,186	\$2,850	\$2,755	\$2,682	\$3,545	N.A.	\$2,850	\$2,900	PY01 & Qty (B&C)	\$2,752	\$2,721	100%		105%
Employment and Credential	46.4%	44.6%	41.3%	47.0%	54.0%	N.A.	45.0%	46.0%	PY01(B)	44.2%	40.5%	101%		111%
Younger Youth Measures														
Skill Gains	87.5%	70.6%	75.3%	60.0%	72.0%	N.A.	73.0%	75.0%	Negotiated PY02 Targets (E)	79.1%	78.0%	103%		94%
High School Diploma Rate	46.1%	64.9%	42.8%	51.0%	52.0%	52.0%	52.0%	53.0%	GPRA (F)	55.5%	60.1%	80%	100%	87%
Retention	57.6%	57.8%	58.6%	60.0%	67.0%	N.A.	58.5%	59.0%	PY01(B)	56.7%	54.4%	101%		108%
										Average Youth Targets:		98%	102%	101%
Customer Satisfaction														
Employers	67.6	68.1	65.5	63.0	65.0	N.A.	67.0	68.0	Negotiated PY02 Targets (E)	75.3	75.2	98%		89%
Participants	76.4	75.9	75.5	75.0	75.0	N.A.	75.0	75.0	Negotiated PY02 Targets (E)	77.7	78.4	99%		96%
										Average Satisfaction Targets:		99%		92%

Summary of Rationales

Adults: Targets are based mostly on PY01 results with some adjustment based on the more recent February 2003 Quarterly Report to the Department of Labor. The PY03 earnings gain target is midway between the figures shown in the PY01 Annual Report and the February 2003 Quarterly Report. The February 2003 Quarterly Report contains four full quarters of follow-up on the PY01 earnings gain measure, and is therefore more current than the Annual Report.

Washington's regression adjustments for PY01 targets showed that the targets initially negotiated were much too high. Pre-registration employment and earnings levels are far higher for Workforce Investment Act participants than was the case for Job Training Partnership Act participants. This reduces the potential for pre- and post earnings gains, and means that the original negotiated target for Year 3 (Column E) was far too high.

The proposed adult retention level is below the Government Performance and Results Act (GPRA) level. This can be justified due to the difficult economic conditions faced in Washington State relative to the rest of the country. Washington's targets for the three adult measures with GPRA targets are set at an average of 102 percent of the GPRA levels.

Dislocated Workers: Targets are based primarily on the February 2003 Quarterly Report and on GPRA targets. Washington State faces unusually difficult conditions involving dislocated workers. Large job losses associated with aerospace will continue in Years 4 and 5. This will make it difficult for Boeing workers laid off earlier (and exiting now) to be rehired at comparable wages. Job losses in manufacturing are expected to continue due to air travel cutbacks, transportation bottlenecks, reductions in timber sales, and restrictions on water use for industrial, irrigation, and energy generation use. Government employment will also decline due to budget restrictions. Workers exiting in the near term are less likely to be rehired at comparable wages and less likely to leave the state than in past recessions. This will lead to continued high unemployment and to low earnings gains.

These factors lead us to rely heavily on the February 2003 Quarterly Report rather than on the PY01 Annual Report for baseline information. Two of three dislocated worker measures are above GPRA levels. However, Washington State's proposed earnings gain measure is substantially lower. Washington State's earnings replacement calculations are more rigorous than most. We have identified dates of dislocation for virtually all dislocated workers and do not allow zero pre-dislocation dollar amounts into calculations except for displaced homemakers. Regression analysis used to adjust PY01 earnings targets suggested that Washington's earnings replacement targets, calculated in this manner, should be reduced to 86 percent, based on the influx of high-wage dislocated workers whose earnings would be difficult to replace. Actual results for the full four quarters of follow-up (Column C) came in even lower than that, at 83 percent. We are retaining 86 percent as a proposed target, and regard 86 percent as a target that may be above the actual baseline associated with Year 2 results.

Employment and credential rates are proposed at levels below PY01 performance out of concern that high employment and credential rates cannot be sustained at reduced levels of entered employment. Washington's PY01 performance suggested an employment and credential rate ten points below the entered employment rate. Our proposed entered employment rate target is three points below PY01 performance. Our proposed employment and credential rate is only two points below PY01 performance.

Youth: Targets are based primarily on PY01 results. GPRA is used as the basis of the Younger Youth High School Diploma Rate. The volatility of this rate is based on relatively small sample sizes and difficulty with the recording of secondary education status at exit. We should not set a target higher than GPRA levels in the absence of a clear baseline for Washington State. The younger youth skill gain target reflects a small increment over the targets originally negotiated for Year 3 (Column E).

Satisfaction: Employer and participant satisfaction measures have been affected by economic conditions and by the shift to the new SKIES data system. Transition to SKIES has affected customer service and the customer sample extraction processes. We propose retaining the trends in targets negotiated for Years 1 through 3. Employer satisfaction targets increased from 61 in Year 1, to 63 in Year 2, to 65 in Year 3. A target of 67 is proposed for Year 4 and 68 for Year 5. Employer satisfaction in Washington is below the national average, and this deserves attention. We propose retaining a participant satisfaction target of 75. Current survey results are 67.8 through December 2002 for employers (six months of results) and 74.6 through November 2002 for participants (five months of results).

TAB 9

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**TARGETING WORKFORCE DEVELOPMENT RESOURCES
TO ECONOMIC CLUSTERS**

The paper under this tab offers background information on how the Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, and the Employment Security Department strategically targeted state resources for workforce development in 2002. The second section of the paper describes continued interest of the three agencies to support economic development by combining efforts and resources to: (1) assist key industries to establish skills panels that analyze workforce needs and find solutions to skill gaps; (2) develop and support “high-demand” programs at community and technical colleges; and (3) implement incumbent worker training.

Board Action Required: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, Targeting workforce development funds for key industries promotes economic vitality and helps ensure that students and workers find good jobs at the end of their training; and

WHEREAS, The Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, and the Employment Security Department have an interest in joining together to coordinate the allocation of funding sources in Program Year 2003;

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorse the strategies for continued “Trio Funding” as described in the attached paper.

TARGETING WORKFORCE DEVELOPMENT RESOURCES TO ECONOMIC CLUSTERS

Background

In order to strategically target state resources for workforce development, the Workforce Training and Education Coordinating Board (WTECB), the State Board for Community and Technical Colleges (SBCTC), and the Employment Security Department (ESD) jointly coordinated the 2002 allocation of \$4.3 million in workforce development funds. The three agencies called this approach "Trio Funding."

Priority for these funds was given to occupations in key industry clusters. An industry cluster is a concentration of companies in an industry and related firms and institutions that are suppliers, buyers, or regulators of that industry. The existence of an industry cluster gives an area a competitive advantage. The economic potential of cluster strategies prompted the state Office of Trade and Economic Development to contract with the Northwest Policy Center (NPC) to identify key industry clusters in Washington.¹ More recently, NPC expanded the list of regional clusters in Washington.² Local areas supplemented this research, using their own data to identify additional clusters.

When WTECB, SBCTC, and ESD coordinated the 2002 Trio Funding Requests for Proposals (RFPs), they emphasized the cluster strategy. In all, four RFPs were issued, reflecting four stages of workforce development. In the first stage, leaders in a key industry cluster are brought together to identify critical skill needs and solutions. The second stage develops and implements industry skill standards. The third stage develops new training programs to prepare workers to meet the skill standards. And the fourth stage provides the training.

The four RFPs for 2002 were:

WTECB's <i>Securing Key Industry Leadership for Learning Skills</i> (SKILLS) (\$600,000)	Eight projects supported SKILLS Panels in such key industries as healthcare, electronics, energy, information technology, construction, software game development, and manufacturing.
SBCTC's <i>Skill Standards</i> (\$427,038) and <i>High-Demand Programs</i> (\$2,600,000)	Grants to community and technical colleges supported more than 15 high-demand training programs and 3 Skill Standards projects.
ESD's <i>Industries of the Future Skills Training</i> (IFST) RFP (\$720,930)	Five projects supporting incumbent worker training were funded in such key industries as healthcare, agriculture and food processing, and information technology.

¹ Paul Sommers, *Cluster Strategies for Washington*, 2001.

² Sommers and Heg, 2002.

Moving Forward

Early this year, staff from WTECB, SBCTC, and ESD continued discussions on: (1) supporting and strengthening Washington's industry cluster strategy; (2) identifying common goals to enhance coordination; and (3) finding other ways to take advantage of the synergistic effect of a coordinated "Trio Funding" approach.

There is continued interest by the three agencies to strategically support long-range economic development by combining efforts and resources of the three agencies to: (1) assist key industries to establish skills panels that analyze workforce needs and find solutions to skill gaps; (2) develop and support "high-demand" programs at community and technical colleges; and (3) implement incumbent worker training.

SKILLS Panels are important catalysts for strategic investment. Aggregate information from the SKILLS Panels is beginning to influence workforce funding decisions throughout Washington State. Since 2000, a total of 23 SKILLS Panels for multiple industries were funded. Twelve SKILLS Panels (52 percent) received funding from two or three of the four available sources. In addition, the SKILLS Panels successfully applied for funding from other sources, including local Workforce Development Councils (WDCs), colleges, and federal and private sector sources.³ Eight SKILLS Panels (35 percent) are relatively new and will complete their sustainability plans by June 2003.

The Trio Funding approach has provided an excellent opportunity for integrated state strategic planning that support local strategic planning efforts. Plans for 2003 include:

WTECB – will use federal Workforce Investment Act funds (Governor's 10 percent funds) to invite WDCs, community organizations, industry associations, and employers to establish additional Skills Panels. Emphasis will be placed on SKILLS Panels in key industry clusters. WTECB will place additional focus on health care SKILLS Panels, in response to a recommendation by the Health Care Personnel Shortage Task Force.⁴ WTECB will also provide continued support to current SKILLS Panels in information technology, electronics, and energy industries who are demonstrating success in growing their partnership and influencing workforce development investments.

SBCTC – will use state funds in Program Year 2003 to support the state's cluster initiative while promoting inter-college collaboration with a particular emphasis on health care. SBCTC staff developed new funding parameters for 2003 High Demand Grants. Priority will be given to college applications showing collaboration at the regional level. The RFP will recognize the need for multi-year funding to implement targeted programs. SBCTC's discretionary (venture capital) funds for the next school year will be tied to economic development strategies, partnerships, and linkages of funds.

ESD – will use federal Workforce Investment Act funds (Governor's 10 percent funds) to support incumbent worker training. WDCs will be invited to apply for Program Year 2003 grants. This commitment includes the department's most recent incumbent worker training grants–Targeted Industry Partnerships (TIP) grants. TIP grants encourage WDCs to invest in industry clusters identified by the NPC.

³ Total investments will be reported in an upcoming WTECB publication.

⁴ WTECB, *Health Care Personnel Shortage: Crisis or Opportunity?*, 2003

The Governor's Joint Economic Vitality Cabinet (JEVC) is exploring additional ways that state agencies can coordinate efforts to promote key economic clusters. This may include the identification of certain clusters to pilot increased coordination, building upon local and state efforts that are already in place. The recommendations for the JEVC will be made on March 24, 2003, and the report will go to the JEVC Cabinet on March 31. Should the JEVC Cabinet identify such clusters to pilot greater coordination, and these clusters have workforce development needs that are not being addressed, WTECB, SBCTC, and ESD will likely want to prioritize these clusters for funding.

The "Trio Funding" approach provides an opportunity for strategic system improvements at the state and local levels and has served as a **catalyst** for linking workforce development with economic development in the workforce system. The state and local areas have benefited from growth in local partnerships supporting key industry clusters vital to the state's economic growth for urban and rural communities. Local communities appreciate the fact that state agencies are coordinating resources. WDCs and colleges have been charged to think about and implement new ways of doing business around clusters.

Some of the catalysts for system change have been included:

- Good data, including the Sommers report
- Local partnerships that have moved sequentially from strategic planning to training delivery
- Identification of critical industry needs (e.g., health care worker shortages)
- Increased student enrollments in high-demand college training programs
- Development of workforce development champions in our state, our local regions, and from industry
- New ideas that have emerged from lessons learned such as a potential "Center for Excellence"
- Economic stimulators that cause new thinking (i.e. the economy and the recession)

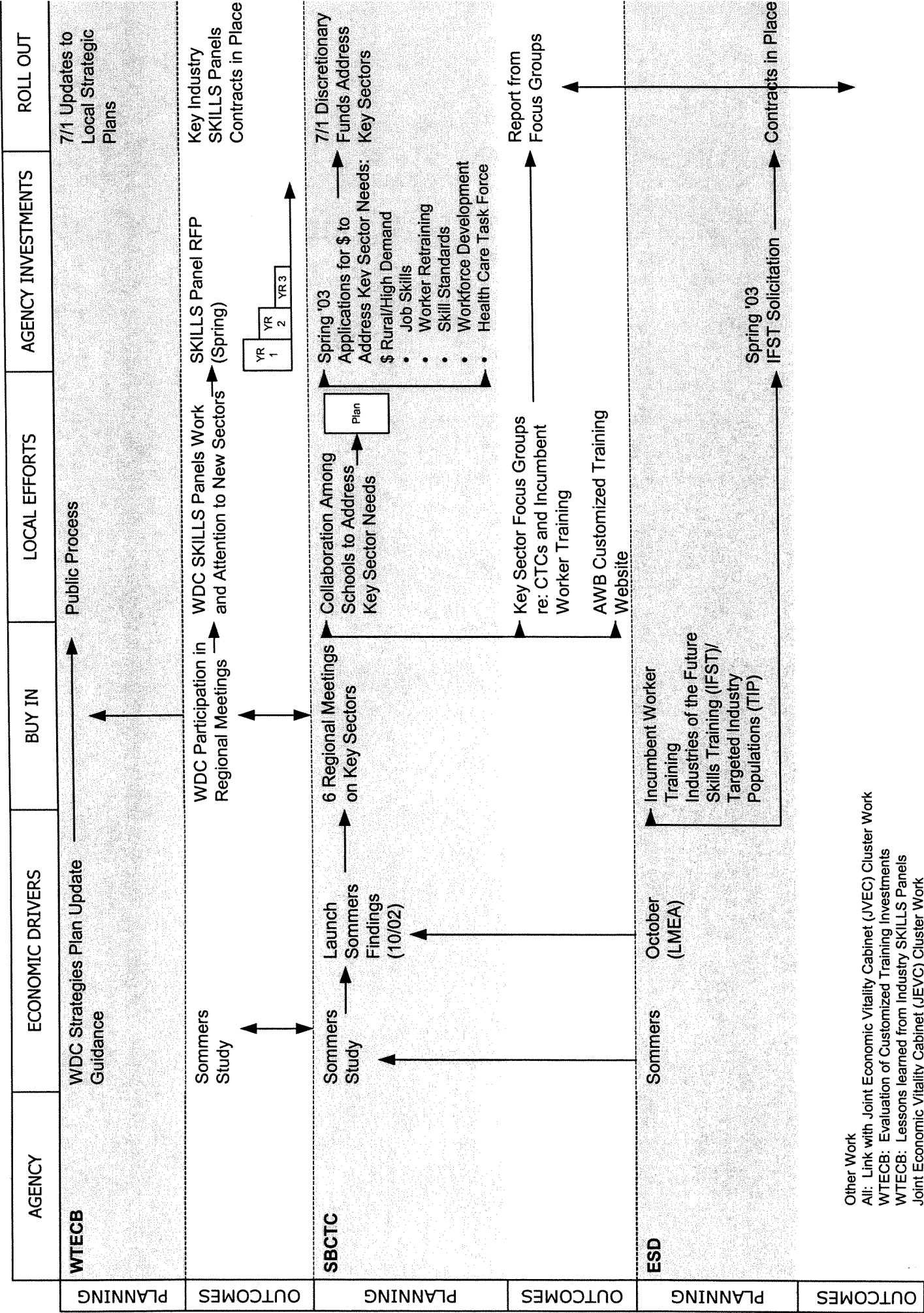
State agencies' common ground for the Trio Funding strategy have included:

- A focus on economic clusters and business competitiveness
- Progress on "High Skills, High Wages 2002"
- Opportunities for individuals
- New ideas and opportunities to stimulate future investments for public and private concerns

Attached is a diagram of how the "Trio Funding" approach worked. Finally, in addition to the approach in the diagram, in March 2003, the three agencies and the Office of Community, Trade and Economic Development, discussed creating a method for partners from each agency to review one or more funding proposals together to ensure that agency investments are working together to promote economic development.

Key Sector Competitiveness Strategy for Workforce Development Linking Workforce Development and Economic Development

DRAFT 3/14/03



Other Work
 All: Link with Joint Economic Vitality Cabinet (JVEC) Cluster Work
 WTECB: Evaluation of Customized Training Investments
 WTECB: Lessons learned from Industry SKILLS Panels
 Joint Economic Vitality Cabinet (JVEC) Cluster Work

TAB 10

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

ELIGIBLE TRAINING PROVIDER POLICY

Each year, the Board adopts the policy used to determine the eligibility of training programs to provide training funded by Workforce Investment Act (WIA) Title I-B Individual Training Accounts. The policy is officially known as the "Governor's Procedure for Determining Training Provider Eligibility." The same policy is used to determine eligibility to train dislocated workers receiving additional unemployment insurance benefits under the state's Training Benefits Program. The Employment Security Department also uses the policy to determine program eligibility to train workers receiving Trade Adjustment Assistance funds. The core of this policy is the performance criteria that training providers must meet in order to be eligible. At the March meeting the Board will act on the policy for next year: July 1, 2003, to June 30, 2004.

The interagency Performance Management for Continuous Improvement (PMCI) workgroup reviewed options for changing the Eligible Training Provider Policy. The group considered, among other factors:

- ❖ The effect different options would have on program eligibility, including the effect on access to fields of study and geographic access.
- ❖ The downturn in the economy and its effect on the ability of programs to achieve employment rate requirements.
- ❖ The relationship between training program performance requirements and achieving the performance targets for WIA Title I-B.

The PMCI workgroup is forwarding four options for the Board's consideration. The four options are found following the recommended motion. The PMCI workgroup supports the changes included in Option A. The workgroup is divided as to the additional changes included in Options B, C, and D.

Also included in this tab is a restatement of the current policy and attachments that show the estimated affect on program eligibility of the four options. It should be noted, however, that the number of programs shown as ineligible overstates the final impact. The addition of out-of-state data, data cleaning, and the consideration of appeals will reduce the number of programs found to be ineligible when final determinations are made.

Board Action Requested: Adoption of the recommended motion.

RECOMMENDED MOTION

WHEREAS, The Governor's Executive Order 99-02 designates the Workforce Training and Education Coordinating Board to develop criteria for eligible training providers under Title I of P.L. 105-220 (The Workforce Investment Act) and standards for measuring and reporting eligible provider performance and cost information;

WHEREAS, Under the state's Training Benefits Program, a program must meet criteria for performance developed by the Workforce Training and Education Coordinating Board for the purpose of determining those training programs eligible for funding under Title I of P.L. 105-220;

WHEREAS, In March 2002, the Board adopted a policy for determining training provider eligibility, and that policy is set to end on June 30, 2003; and,

WHEREAS, The Performance Management for Continuous Improvement workgroup, including representatives of local Workforce Development Councils and training providers, has assisted Board staff in developing options for changes in the policy for determining training provider eligibility.

THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board, on behalf of the Governor, adopts the policy changes in Option ____ for the Governor's Procedure for Determining Training Provider Eligibility. The new procedure shall be used to determine the eligibility of training providers to receive Workforce Investment Act Title I-B Individual Training Accounts and to train dislocated workers receiving additional unemployment insurance benefits under the state's Training Benefits Program during the time period beginning on July 1, 2003, and ending on June 30, 2004.

CHANGES IN ELIGIBLE TRAINING PROVIDER POLICY

Option A

- 1a. Increase the earnings floor from \$2,903 to \$3,030 in a calendar quarter.
- 1b. Increase the earnings target from \$3,658 to \$3,815 in a calendar quarter.

(Rationale: The increase is consistent with the most recent increase in the poverty threshold for a family of two and a family of three people.)

2. If a small program (less than 25 student records over three years) meets the performance requirements, eligibility determination should be based upon that program's performance, not on the performance of a larger category of programs of which it is a part.

(Rationale: Currently, if the number of student records for a program is less than 25, it is aggregated along with other similar programs at the provider into a larger program category and that larger program category's performance is judged against the performance requirements. This has created some cases where a small program's performance levels satisfied the requirements but the small program was determined to be ineligible because its performance was instead judged by the larger program category of which it is a part.)

3. Programs for which there are three years of data must meet the performance requirements at the individual program level if there are at least 15 student records.

(Rationale: As explained above, currently, if the number of student records for a program is less than 25, it is aggregated along with other similar programs at the provider into a larger program category. In some instances this results in a poorly performing small program being eligible indefinitely because it is grouped with other programs that meet the performance requirements. Also, sometimes there are no other similar programs at the provider. When this is the situation, the small program is given an interim eligible status until there are more than 25 student records. In some cases, this also results in a program with poor performance remaining on the eligible list indefinitely.)

Option B. Same as Option A with the addition of:

- 2a. Increase the hourly wage floor from \$8.00 to \$8.50 per hour.
- 2b. Increase the hourly wage target from \$9.00 to \$9.50 per hour.

(Analysis: On the one hand, raising the requirements could improve Workforce Investment Act performance, protect consumers, and reserve public dollars for more effective training. On the other hand, raising the requirements could reduce access to training the consumer might want, perhaps as a first step in a career ladder, and comes when the economy is in a recession and employment rates and wages are negatively impacted.)

Option C. Same as Option A with the addition of:

- 3a. Increase the employment rate floor from 45 percent to 50 percent.
- 3b. Increase the employment rate target from 60 percent to 65 percent.

(Analysis: Same as Option B, plus changes in the availability of other states' employment data—through the interstate Wage Record Interchange System—makes it easier for programs to meet employment rate requirements.)

Option D. Same as Option A with the addition of:

- 4a. Increase the hourly wage floor from \$8.00 to \$8.50 per hour.
- 4b. Increase the hourly wage target from \$9.00 to \$9.50 per hour.
- 5a. Increase the employment rate floor from 45 percent to 50 percent.
- 5b. Increase the employment rate target from 60 percent to 65 percent.

(Analysis: Same as Options B and C, except the effects are greater when both hourly wage and employment rate requirements are increased—more programs are affected.)

Current State Eligible Training Provider Policy

I. State Required Performance Levels

A program must meet or exceed each of the following minimum performance floors:

- A completion rate of 20 percent
- An employment rate of 45 percent
- An earnings level of \$2,903 in a calendar quarter

Failure to achieve any one of these minimum floors shall make the program ineligible, with the earnings/hourly wage exception explained below.

In addition, the program must achieve at least an average of 100 percent of the following performance targets:

- A completion rate of 30 percent
- An employment rate of 60 percent
- An earnings level of \$3,658 in a calendar quarter

The average shall be calculated by dividing actual performance on each measure, for which there is sufficient data, by the target for that measure, adding the results together, and dividing by the number of measures for which there is sufficient data.

If a program fails to meet the eligibility requirements for earnings, the program may still qualify by meeting the requirements for hourly wages. The requirements for hourly wages are:

Minimum floor: \$8.00 per hour

Performance target: \$9.00 per hour

II. Minimum Data Requirements

In order for a performance measure to count toward eligibility determination, there must be data records on a minimum number of participants so the results are statistically valid. The minimum number of participant records is 25 during the reporting period (12 quarters). This minimum requirement pertains separately to each measure.

If a particular program does not have the minimum N for a measure, then the determination for that measure will be based on the performance of all programs of the provider that are in the same program category as the particular program in question. If the program category at the provider does not have the minimum N for determining eligibility based on the performance measure, then the measure will not be used to determine eligibility.

If there is insufficient data to determine eligibility based on the performance measures, a program that is initially eligible shall remain eligible, subject to the provider's application being accepted by the local Workforce Development Council (WDC).

OPTION A

Median Earnings: Floor= \$3,030, Target = \$3,815 Employment Rate: Floor = 45%, Target = 60% Wage: Floor= \$8.00, Target = \$9.00 Programs in data 3 years, N> = 15, must pass at program level			
Workforce Development Council	Number of Programs Analyzed	Number Found Not Eligible	Percent Found Not Eligible
Olympic	111	14	12.6
Pacific Mountain	135	6	4.4
Northwest	107	5	4.7
Snohomish	140	5	3.6
Seattle-King	593	72	12.1
Tacoma-Pierce	264	12	4.5
Southwest Washington	140	10	7.1
North Central	75	5	6.7
Tri-County	76	4	5.3
Eastern WA Partnership	47	3	6.4
Benton-Franklin	52	1	1.9
Spokane Area	181	19	10.5
TOTAL	1922	156	8.1

In six WDC's, there are one or more instances where the only training program on the Eligible Training Provider (ETP) List in a program category was found not eligible under the above performance criteria. The program categories effected are:

Olympic:

Industrial Technology

Pacific Mountain:

Early Childhood Education

Northwest:

Commercial and Graphic Arts

Southwest WA:

Nursing Assistant

Cosmetology

Eastern Washington Partnership:

Cosmetology

Early Childhood Education

Welding

Benton-Franklin:

Protective Services

Early Childhood Education is offered in all other WDC's besides the two in which is it found not eligible. The Nursing Assistant programs closest to Southwest Washington WDC are in Centralia and Aberdeen.

OPTION A		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Accounting	46		1			1
Administrative Support	296	5	12			17
Agriculture, Forestry and Fisheries	63		5			5
Airframe/Power Plant	8					0
Associate Degree Nurse	20					0
Auto Diesel	52		1			1
Commercial & Graphics Art	29	6	3			9
Computer Maintenance Tech	31		2			2
Construction Trades	40	4	3			7
Cosmetology	61	6	5			11
Counseling	3					0
Culinary Arts	31	2	1			3
Dental Assisting	21					0
Dental Hygienist	5					0
Drafting	26		1			1
Early Childhood Ed	41		3			3
Electrical Equipment Repair	19		1			1
Electronics Technology	17					0
Engineering Technology	27		1			1
General Studies	8					0
Industrial Technology (except electronics tech)	66		2			2
Information Technology	220	11	13		1	25
Legal Assistant	11					0
Machinist	28		2			2
Managerial and Managerial Support	118		8	1		9
Marketing and Sales	95	2	7			9
Med Lab Tech/Histologic	9		1			1
Medical Assisting	32					0
Medical X-Ray	9	1				1
Nursing Assistant	22		2			2
Occupational Therapy	2					0
Other Health Services	51	5	1			6
Other Health Tech	29		3			3
Other Services: Health-Related	17					0
Other Services: Other	24	1	2			3
Other Technical	43	5	5			10
Paramedic EMT, Operating Tech	16	1	1			2
Pharmacy Assisting	16					0
Physical Therapy	4					0
Practical Nurse	20					0
Precision, Production, Crafts	54	2	2			4
Protective Services	56		7			7
Social Services	30		4			4

OPTION A		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Teaching/Library Assistant	32					0
Transportation Operators	46		2			2
Veterinarian Assistant	5					0
Welding	23		2			2
TOTAL	1922	51	103	1	1	156

OPTION B

Median Earnings: Floor= \$3,030, Target = \$3,815 Employment Rate: Floor= 45%, Target = 60% Wage: Floor= \$8.50, Target = \$9.50 Programs in data 3 years, N> = 15, must pass at program level			
Workforce Development Council	Number of Programs Analyzed	Number Found Not Eligible	Percent Found Not Eligible
Olympic	111	14	12.6
Pacific Mountain	135	7	5.2
Northwest	107	7	6.5
Snohomish	140	5	3.6
Seattle-King	593	74	12.5
Tacoma-Pierce	264	20	7.6
Southwest Washington	140	10	7.1
North Central	75	6	8.0
Tri-County	76	4	5.3
Eastern WA Partnership	47	5	10.6
Benton-Franklin	52	1	1.9
Spokane Area	181	21	11.6
TOTAL	1922	173	9.0

In seven WDC's, there are one or more instances where the only training program on the ETP List in a program category was found not eligible under the above performance criteria. The program categories effected are:

Olympic:

Industrial Technology

Pacific Mountain:

Early Childhood Education

Northwest:

Commercial and Graphic Arts

Tacoma-Pierce:

Early Childhood Education

Southwest WA:

Cosmetology

Nursing Assistant

Eastern Washington Partnership:

Cosmetology

Early Childhood Education

Welding

Benton-Franklin:

Protective Services

Early Childhood Education is offered in all other WDC's besides the three in which is it found not eligible. The Nursing Assistant programs closest to Southwest Washington WDC are in Centralia and Aberdeen.

OPTION B		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Accounting	46		1			1
Administrative Support	296	5	15			20
Agriculture, Forestry and Fisheries	63		5			5
Airframe/Power Plant	8					0
Associate Degree Nurse	20					0
Auto Diesel	52		1			1
Commercial & Graphics Art	29	6	3			9
Computer Maintenance Tech	31		2			2
Construction Trades	40	4	3			7
Cosmetology	61	6	5			11
Counseling	3					0
Culinary Arts	31	2	3			5
Dental Assisting	21					0
Dental Hygienist	5					0
Drafting	26		1			1
Early Childhood Ed	41		5			5
Electrical Equipment Repair	19		2			2
Electronics Technology	17					0
Engineering Technology	27		1			1
General Studies	8					0
Industrial Technology (except electronics tech)	66		2			2
Information Technology	220	12	13		1	26
Legal Assistant	11					0
Machinist	28		2			2
Managerial and Managerial Support	118		8	1		9
Marketing and Sales	95	2	11			13
Med Lab Tech/Histologic	9		1			1
Medical Assisting	32					0
Medical X-Ray	9	1				1
Nursing Assistant	22		2			2
Occupational Therapy	2					0
Other Health Services	51	5	1			6
Other Health Tech	29		3			3
Other Services: Health-Related	17					0
Other Services: Other	24	1	2			3
Other Technical	43	5	7			12
Paramedic EMT, Operating Tech	16	1	1			2
Pharmacy Assisting	16					0
Physical Therapy	4					0
Practical Nurse	20					0
Precision, Production, Crafts	54	2	2			4
Protective Services	56		7			7

OPTION B		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Social Services	30		4			4
Teaching/Library Assistant	32		1			1
Transportation Operators	46		2			2
Veterinarian Assistant	5					0
Welding	23		3			3
TOTAL	1922	52	119	1	1	173

OPTION C

Median Earnings: Floor=\$3,030, Target = \$3,815 Employment Rate: Floor=50%, Target = 65% Wage: Floor= \$8.00, Target = \$9.00 Programs in data 3 years, N> = 15, must pass at program level			
Workforce Development Council	Number of Programs Analyzed	Number Found Not Eligible	Percent Found Not Eligible
Olympic	111	21	18.9
Pacific Mountain	135	8	5.9
Northwest	107	8	7.5
Snohomish	140	6	4.3
Seattle-King	593	77	13.2
Tacoma-Pierce	264	21	8.0
Southwest Washington	140	12	8.6
North Central	75	7	9.3
Tri-County	76	4	5.3
Eastern WA Partnership	47	4	8.5
Benton-Franklin	52	1	1.9
Spokane Area	181	21	11.6
TOTAL	1922	190	9.9

In seven WDC's, there are one or more instances where the only training program on the ETP List in a program category was found not eligible under the above performance criteria. The program categories effected are:

Olympic:

Industrial Technology
Precision, Production, Crafts

Pacific Mountain:

Early Childhood Education

Northwest:

Commercial and Graphic Arts
Cosmetology

Tacoma-Pierce:

Commercial and Graphic Arts

Southwest WA:

Cosmetology
Nursing Assistant

Eastern Washington Partnership:

Cosmetology
Welding

Benton-Franklin:

Protective Services

Early Childhood Education is also offered in all other WDC's besides the two in which it found not eligible. The Nursing Assistant programs closest to Southwest Washington WDC are in Centralia and Aberdeen.

OPTION C		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Accounting	46		1			1
Administrative Support	296	9	14			23
Agriculture, Forestry and Fisheries	63		6			6
Airframe/Power Plant	8					0
Associate Degree Nurse	20					0
Auto Diesel	52		1			1
Commercial & Graphics Art	29	6	4			10
Computer Maintenance Tech	31		2			2
Construction Trades	40	4	3			7
Cosmetology	61	12	6			18
Counseling	3					0
Culinary Arts	31	2	2			4
Dental Assisting	21					0
Dental Hygienist	5					0
Drafting	26		1			1
Early Childhood Ed	41		3			3
Electrical Equipment Repair	19		1			1
Electronics Technology	17					0
Engineering Technology	27		1			1
General Studies	8					0
Industrial Technology (except electronics tech)	66		3			3
Information Technology	220	13	16		1	30
Legal Assistant	11					0
Machinist	28		2			2
Managerial and Managerial Support	118	1	9	1		11
Marketing and Sales	95	2	9			11
Med Lab Tech/Histologic	9		1			1
Medical Assisting	32					0
Medical X-Ray	9	1				1
Nursing Assistant	22		2			2
Occupational Therapy	2					0
Other Health Services	51	5	2			7
Other Health Tech	29		3			3
Other Services: Health-Related	17					0
Other Services: Other	24	2	2			4
Other Technical	43	5	6			11
Paramedic EMT, Operating Tech	16	1	2			3
Pharmacy Assisting	16					0
Physical Therapy	4					0
Practical Nurse	20					0
Precision, Production, Crafts	54	2	3			5
Protective Services	56		7			7
Social Services	30		5			5

OPTION C		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Teaching/Library Assistant	32		1			1
Transportation Operators	46		2			2
Veterinarian Assistant	5					0
Welding	23		3			3
TOTAL	1922	65	123	1	1	190

OPTION D

Median Earnings: Floor= \$3,030, Target = \$3,815 Employment Rate: Floor= 50%, Target = 65% Wage: Floor= \$8.50, Target = \$9.50 Programs in data 3 years, N> = 15, must pass at program level			
Workforce Development Council	Number of Programs Analyzed	Number Found Not Eligible	Percent Found Not Eligible
Olympic	111	21	18.9
Pacific Mountain	135	11	8.1
Northwest	107	9	8.4
Snohomish	140	6	4.3
Seattle-King	593	79	13.3
Tacoma-Pierce	264	27	10.2
Southwest Washington	140	12	8.6
North Central	75	8	10.7
Tri-County	76	4	5.3
Eastern WA Partnership	47	5	10.6
Benton-Franklin	52	2	3.8
Spokane Area	181	24	13.3
TOTAL	1922	208	10.8

In seven WDC's, there are one or more instances where the only training program on the ETP List in a program category was found not eligible under the above performance criteria. The program categories effected are:

Olympic:

Industrial Technology
Precision, Production, Crafts
Protective Services

Pacific Mountain:

Early Childhood Education
Other Health Tech

Northwest:

Commercial and Graphic Arts
Cosmetology

Tacoma-Pierce:

Commercial and Graphic Arts
Early Childhood Education

Southwest WA:

Cosmetology
Nursing Assistant

Eastern Washington Partnership:

Cosmetology
Early Childhood Education
Welding

Benton-Franklin:

Protective Services

Early Childhood Education is offered in all other WDC's besides the three in which it found not eligible. The Nursing Assistant programs closest to Southwest Washington WDC are in Centralia and Aberdeen.

OPTION D		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Accounting	46		1			1
Administrative Support	296	9	17			26
Agriculture, Forestry and Fisheries	63		8			8
Airframe/Power Plant	8					0
Associate Degree Nurse	20					0
Auto Diesel	52		1			1
Commercial & Graphics Art	29	6	4			10
Computer Maintenance Tech	31		2			2
Construction Trades	40	4	4			8
Cosmetology	61	12	6			18
Counseling	3					0
Culinary Arts	31	2	4			6
Dental Assisting	21					0
Dental Hygienist	5					0
Drafting	26		1			1
Early Childhood Ed	41		5			5
Electrical Equipment Repair	19		2			2
Electronics Technology	17					0
Engineering Technology	27		1			1
General Studies	8					0
Industrial Technology (except electronics tech)	66		3			3
Information Technology	220	14	16		1	31
Legal Assistant	11					0
Machinist	28		2			2
Managerial and Managerial Support	118	1	9	1		11
Marketing and Sales	95	2	12			14
Med Lab Tech/Histologic	9		1			1
Medical Assisting	32					0
Medical X-Ray	9	1				1
Nursing Assistant	22		2			2
Occupational Therapy	2					0
Other Health Services	51	5	3			8
Other Health Tech	29		3			3
Other Services: Health-Related	17					0
Other Services: Other	24	2	2			4
Other Technical	43	5	7			12
Paramedic EMT, Operating Tech	16	1	2			3
Pharmacy Assisting	16					0
Physical Therapy	4					0
Practical Nurse	20					0
Precision, Production, Crafts	54	2	3			5
Protective Services	56		7			7
Social Services	30		5			5
Teaching/Library Assistant	32		2			2

OPTION D		Number of Programs Found Not Eligible				
Program Category	Total Programs Analyzed	Private Career School	WA 2YR Public	WA 4YR Private	WA 4YR Public	Total Not Eligible
Transportation Operators	46		2			2
Veterinarian Assistant	5					0
Welding	23		3			3
TOTAL	1922	66	140	1	1	208

TAB 11

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**GOVERNOR'S DISCRETIONARY FUNDS
FOR WORKFORCE INVESTMENT ACT TITLE I-B**

The Governor has requested the Workforce Training and Education Coordinating Board (Workforce Board) provide him with recommendations regarding the expenditure of his discretionary funds under the Workforce Investment Act Title I-B. This tab contains background information on the discretionary funds and recommendations prepared by Employment Security Department and Workforce Board staff. The recommendations are based upon the projected Department of Labor allocation to Washington State. Final dollar amounts will be adjusted to reflect the actual allocation.

Board Action Requested: Adoption of the recommended motion.

RECOMMENDED MOTION

WHEREAS, Ten percent of funding under the Workforce Investment Act Title I-B is set aside to be allocated at the Governor's discretion, subject to certain limitations in the Act;

WHEREAS, The Governor has requested the advice of the Workforce Training and Education Coordinating Board on how the ten percent funds should be allocated; and

WHEREAS, Employment Security Department and Workforce Board staff, with input from the Interagency Committee, have prepared recommended allocations for the Board's consideration;

NOW, THEREFORE BE IT RESOLVED, that the Workforce Training and Education Coordinating Board recommend to the Governor the attached allocations of the Governor's Discretionary Funds for July 1, 2003, to June 30, 2004. The recommendations are based upon the projected Department of Labor allocation to Washington State. Final dollar amounts will be adjusted to reflect the actual allocation.

2003 Governor's Discretionary Funds (10 percent) Budget Recommendations

Projected 10% Funds Available PY 2003

Total State Allocation	\$120,826,474
Required Activities	6,526,323
Allowable Activities	5,556,324
Total 10% funds	12,082,647

Required Activities

Workforce System Efficiencies:

Eligible Training Provider List and Evaluations	\$ 775,000
Incentive Grants for exemplary performance	575,000
Develop and Expand one-stop system (1)	1,080,000
Assist areas with high concentration of eligible youth (2)	721,323
Operate a fiscal and management information system (3)	3,375,000
Subtotal	\$6,526,323

Allowable Activities

Workforce system efficiencies (4)	\$1,527,246
Healthcare personnel shortages Initiatives (5)	600,000
Incumbent Worker Training (6)	2,000,000
Policy initiatives and emergent needs set aside (7)	1,429,078
Subtotal	\$ 5,556,324
Total	\$12,082,647

Notes

1. Infrastructure and capacity building.
2. Additional funding for youth development may be included among policy initiatives and emergent needs. This category is limited to areas with high concentration of eligible youth.
3. Includes maintaining Go2Worksource, Skies, Datamart, DataFlex for tuition and income support payments, and other IT processes and interfaces with Guide and JAS for client, fiscal, and performance tracking and reporting.
4. Includes \$570,000 for skill panels, Technical Assistance and capacity building, and services to people with disabilities.
5. Includes four healthcare skill panels, and healthcare supply and demand data collection and analysis.
6. Includes healthcare training.
7. For example, economic development/job training, offender youth, apprenticeship training, and limited English proficiency.

GOVERNOR'S DISCRETIONARY FUNDS FOR WORKFORCE INVESTMENT ACT TITLE I-B

The Workforce Investment Act (WIA) Title I-B authorizes three funding streams: adults, dislocated workers, and youth. Each year Congress authorizes the amount of funds to be allocated under WIA. These funds are provided to the state based on allocation formulas. The majority of the funds are allocated by formula to the local areas. The state reserves 5 percent of the total funds for administrative costs and 10 percent for required and allowable statewide workforce investment activities. The statewide workforce investment funds are also referred to as the Governor's Discretionary Fund. In Washington, statewide workforce investment funds have been prioritized in support of "High Skills, High Wages: Washington's Strategic Plan for Workforce Development."

Over the past three years, a total of \$26,848,035 has been available for statewide workforce investment activities. Annual funds available have ranged from \$7,000,000 to \$12,000,000. These funds are subject to fluctuations based on formula allocations and federal budget constraints. We anticipate the Department of Labor will release WIA allocations for Program Year 2003 in late March. Attachment A shows the state's total WIA Title I-B allocations to date and the available statewide workforce investment funds.

Governor's Discretionary Funds Activities

Statewide workforce investment funds support a wide range of required and allowable activities. In accordance with each state's strategic and operational plan for workforce development, Governor's are given the flexibility to prioritize the use of these resources to address new or emerging workforce development issues.

Required activities include, but are not limited to: disseminating the state list of eligible training providers; conducting evaluations to promote methods for continuously improving workforce investment activities to achieve high-level performance; providing incentive grants for exemplary performance; providing technical assistance to local areas that fail to meet local performance measures; assisting in the establishment of one-stop delivery systems; and operating a fiscal and management accountability system.

In addition to required activities, allowable statewide workforce investment activities may include, but are not limited to: providing capacity building and technical assistance to local areas including staff development and the development of exemplary program activities; conducting research and demonstration programs, such as targeting populations previously not served or underserved in the workforce development system; establishing and implementing innovative incumbent worker training programs; and carrying out youth activities statewide.

How Governor's Discretionary Funds are Planned and Allocated

Through the Governor's Executive Order, the Employment Security Department (ESD) is responsible for the administration and planning of statewide workforce development activities. Each year, ESD enters into a planning and negotiation process with the Workforce Board and the Governor's Office to determine how the statewide workforce investment funds will be prioritized.

As previously noted, this collaborative planning effort prioritizes strategies based on the state's strategic plan, "High Skills, High Wages." Once ESD, the Workforce Board, and the Governor's Office draft a prioritization of strategies, advice and input from key stakeholders is solicited and incorporated. A final plan is then submitted to the Governor's Office for approval.

Program Year 2002 Governor's Discretionary Funds Strategies

Below is an outline of the broad areas of focus for statewide activities in the current program year. For further detail, please refer to Attachment B.

Strategic Plan Goal: Close the Skills Gap

Strategy: Increase the number of young people served, including youth from targeted populations, who understand and act on career opportunities through education and training programs.

Strategic Plan Goal: Implement a Coherent Strategy for Dislocated and Incumbent Workers

Strategy: Expand Incumbent Worker Training in Key Industry Sectors.

Strategic Plan Goal: Integrate Workforce Development Programs to Improve Customer Service

Strategies: Improve Outreach and Services to customers; maintain flexible and responsive service delivery capacity through WorkSource system efficiencies and effectiveness.

Recommendations for PY 2003 Governor's Discretionary Fund Strategies

Staff of the Governor's Office, the Workforce Board, and ESD, are recommending that statewide activities support the following initiatives:

- Maintain workforce system efficiencies and effectiveness
- Provide incumbent worker training
- Address personnel shortages in the healthcare industry
- Reserve funds for governor's policy initiatives and emergent needs.

Planning Process

The current and subsequent recommended Governor's Discretionary Funds allocations will be developed by ESD, the staff of the Workforce Board, and the Governor's Office, and submitted each year to the Workforce Board for approval. Local Workforce Development Councils will be consulted in the process. The Workforce Board's recommendation(s) will be submitted to the Governor, who may approve, reject, or modify the recommendations. Once approved, ESD will distribute, grant, or procure contractors to carry out the approved statewide workforce investment activities. ESD, staff of the Workforce Board, the Governor's Office, and local Workforce Development Councils will collaborate to identify and recommend new policy initiatives and emergent needs as they arise.

**Washington State Workforce Investment Act Allocations
and Allocations for Governor's Discretionary Funds**

The following chart details the total Workforce Investment Act funds allocated to the state by the Department of Labor for the first three years of the Workforce Investment Act and the amount for ten percent activities.

Program Year	Total Allocation	Governor's Discretionary Funds
2000	\$ 70,046,805	\$ 7,004,681
2001	\$ 70,184,034	\$ 7,018,403
2002	\$126,398,979	\$12,639,898
Total	\$268,481,241	\$26,848,035

Governor's Discretionary Funds Required and Allowable Activities

Required Activities

- maintaining and distributing the eligible training provider list
- conducting evaluations of workforce development activities
- providing incentive grants to local areas for exemplary performance
- providing technical assistance to areas that fail to meet local performance measures
- assisting in the establishment and operation of the one-stop delivery system
- providing additional assistance to local areas that have high concentrations of eligible youth
- operating a fiscal and management information system.

Allowable Activities

- development of exemplary program activities
- conducting research and demonstrations
- establishing and implementing incumbent worker programs
- implementing innovative programs for displaced homemakers and programs to increase the number of individuals training for and placed in non-traditional employment
- carrying out statewide youth activities
- if determined necessary by the state, carrying out additional employment and training activities for adults and dislocated workers; and providing technical assistance, staff development, and training.

Section 134B and (A)(2) of the Workforce Investment Act.

Workforce Investment Act Governor's Discretionary Funds Activities - PY 2002

Strategies	Primary Implementers
<p>Challenge: Incumbent and Dislocated Worker Training</p> <p>Goal: Put in Place a Coherent Strategy for Dislocated and Incumbent Workers</p> <p>Strategy: Expand Incumbent Worker Training</p> <p>Activities: Funds support building the capacity of employers and industries, research, and the development and maintenance of SKILLS panels. The SKILLS panels enable groups of business, worker, and industry representatives to address employers' skills gaps in key industry sectors of the workforce.</p> <p>Funds support incumbent worker training projects, i.e., Industries of the Future.</p> <p>Skills Training address employers specific workforce needs in key target sectors such as health care, through training, and upgrading workers.</p>	<p>WTECB administers these activities</p> <p>ESD administers these activities based on a collaborative planning process with WTECB, SBCTC, and CTED. WDCs carry out projects</p>
<p>Challenge: Skills Gap</p> <p>Goal: Closing the Skills Gap</p> <p>Strategy: Increase the number of youth from target populations, who understand and act on career opportunities through education and training programs.</p> <p>Activities: Funds support an innovative program which combines the efforts of WDCs and school districts to educate eligible youth enrolled in secondary vocational skills training centers, with an emphasis on health care occupations.</p> <p>Funds are provided to identify education and training activities for low income at risk youth in the White Center community. The activities are intended to assist in identifying and supporting career and job opportunities during the summer months youth are out of school.</p>	<p>Pacific Mountain, Southwest, Benton Franklin WDCs, and Educational Service Districts</p> <p>Seattle-King WDC</p>

Strategies	Primary Implementers
<p>Challenge: Facilitate the Integration of Workforce Development Programs</p> <p>Goal: Integrate Workforce Development Programs to Improve Customer Service</p> <p>Strategy: Improve Outreach and Services to WorkSource Customers, including Target Populations</p> <p>Activities: Funds assist local areas in the operation of the WorkSource Centers and system. Local areas determine emerging needs and address them in ways that include partnership initiatives, technology enhancements, infrastructure improvements, website development, language translation resources, and staff development.</p> <p>Funds support an initiative to improve access to the WorkSource system for persons with disabilities, which resulted from coordinated planning effort between five state organizations and the WDCs. The initiative includes local center and affiliate assessments, staff training, and a Technical Assistance Center.</p> <p>Technical assistance and capacity building funds are targeted to help local areas develop and expand staff expertise, integrate programs, and conduct other activities, e.g. employer outreach training, cross system training for partner staff, and labor market information upgrades.</p>	<p>Funds are granted by ESD to WDCs</p> <p>ESD and Governor's Committee on Disabilities and Employment administer the program activities</p> <p>ESD and WDCs</p>
<p>Challenge: Facilitate the Integration of Workforce Development Programs</p> <p>Goal: Integrate Workforce Development Programs to Improve Customer Services</p> <p>Strategy: Maintain flexible and responsive service delivery capacity though WorkSource system efficiencies and effectiveness.</p> <p>Activities: Incentive funds are awarded for exemplary performance on state and federal measures. Technical Assistance is given to areas needing to improve performance.</p> <p>Funds support continued developments and maintenance of approved eligible training providers' list, as well as conducting required evaluations.</p> <p>Funds support continuing developments and operations of the WorkSource system management information system, including system and infrastructure support.</p>	<p>Based on performance calculations made by WTECB. Funds are distributed by ESD.</p> <p>WTECB</p> <p>ESD</p>

2002 - 2003 Governor's Discretionary Funds Budget Comparison

	2002	2003	
Total State Allocation	\$126,398,979	\$120,826,474	(1)
Required Activities	6,270,000	6,526,323	
Allowable Activities	6,369,898	5,556,324	
Total 10% funds	12,639,898	12,082,647	
Required Activities			
Eligible Training Provider List and Evaluations	300,000	\$ 775,000	(2)
Incentive Grants for exemplary performance	600,000	575,000	
Develop and Expand one-stop system	1,120,000	1,080,000	
Assist areas with high concentration of eligible youth	750,000	721,323	
Operate a fiscal and management information system	3,500,000	3,375,000	
Subtotal	\$6,270,000	\$6,526,323	
Allowable Activities			
Workforce system efficiencies	1,610,500	\$ 1,527,246	
Healthcare personnel shortages Initiatives	-0-	600,000	(3)
Incumbent Worker Training	2,960,537	2,000,000	(4)
Policy initiatives and emergent needs set aside	1,798,861	1,429,078	(4)
Subtotal	6,369,898	\$5,556,324	
Total	12,639,898	\$12,082,647	

Notes

1. Estimate five percent cut. May change depending on final allocation.
2. Significant increase due to biennial evaluations required by state statutes.
3. New initiatives based on WTECB's Healthcare Personnel Shortage Report. Includes four new healthcare skill panels and labor supply and demand analysis.
4. Funds redistributed to support new healthcare initiatives and required evaluations.